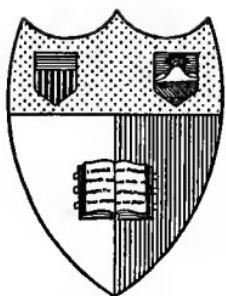


# THE ECONOMIC CAUSES OF WAR

*BY*

ACHILLE LORIA



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# THE ECONOMIC CAUSES OF WAR

*By ACHILLE LORIA*  
*of the University of Turin*

Translated by JOHN LESLIE GARNER

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# THE ECONOMIC CAUSES OF WAR

## CHAPTER I.

### ECONOMIC RELATIONS GIVE RISE TO AN INTERNATIONAL JURAL ORGANIZATION.\*

According to economists there existed at one time a primitive, idyllic stage of society when the labors of isolated producers sufficed to supply their needs. There is no reason to doubt that such a condition of affairs actually did obtain, although no traces of it now remain to us. In any event, however, this condition could have prevailed only during the early infancy of humanity, and at a time when population was extremely sparse. For, as soon as the increasing population, finding itself compelled to use lands of comparatively limited fertility, extended the

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\*In view of the fact that the present conflict has so generally confirmed Professor Loria's theories regarding the economic causes and aspects of war as laid down in his striking work: *Les Bases Économiques de la Justice Internationale* [the title of which has been changed in the translation to *The Economic Causes of War*], which was published by the Nobel Institute in 1912, his views cannot fail to impress the reader as prophetic. In a supplemental chapter (Chapter VI), written in the fall of 1916, the author calls attention to certain phases in the war's development which obviously confirm his theories, and also to other details which seem to refute them—a refutation, it should be noted, which is only one in appearance.—Translator.

cultivation of the soil beyond the most productive zone, the labors of the isolated workers were found to be incapable of satisfying their needs, and it became necessary to organize an association of labor, or, in other words, to co-ordinate the efforts of a number of producers, for a common purpose, and this necessity soon became absolutely imperative.

A striking fact now presents itself. The workers, thus forced to associate in the labor of production, did not necessarily belong to one and the same political and social group; on the contrary, the very composition of primitive societies compelled men, originally belonging to different tribes, to unite for the purpose of a common production. This peculiar circumstance was due to two fundamental institutions of primitive humanity, the *matriarchate* and *exogamy*, the former of which made the woman the nucleus of the family as well as its governor, while the second compelled her to take her mate from without her own tribe. It therefore follows that the family group, within which the association of labor first arose, was composed, on the one hand, of a number of women belonging to the same tribe, or to the same matriarchal nucleus, and, on the other, of a number of men—their husbands—who were members originally,

of one or several, matriarchal nuclei necessarily different from that of their mates. Thus prehistoric social and domestic institutions brought together in one field, or within the confines of a comparatively limited territory, a number of men and women who belonged to several different family groups and who, consequently, thenceforth constituted so many distinct political entities. Thereupon the individuals composing these political groups, working together in a restricted territory, were compelled to establish numerous and very complex relations among themselves; and, as none of the co-producers could impose his own family, tribal or national law upon the others, they were forced to create a body of higher laws to regulate those relations, which were beyond the control of the laws of the separate groups. The laws thus originated constitute the embryo of international law, which, therefore, is a corollary of the association of labor, or, in other words, an effect of the organic conditions of production, that is, of economics.

This state of affairs, however, came to an end when the *paternal* family form appeared. For, rendering the man the nucleus of the family, as well as the chief producer, and compelling the absorption of the woman in the family of the

man, it created for the first time a political and jural entity composed of the mass of associated workers and thereby eliminated at once the need of any body of laws superior to those of the several national groups. During this stage of humanity the nucleus of associated workers was composed, on the one hand, of the brothers and their children, all belonging to the same paternal family and political group, and on the other, of their wives, who had been received into the same body. Consequently the national law, or law of the group, sufficed to regulate the mutual relations of the associated producers, or, in other words, to assure among them the reign of perfect equity; while the relations among the several distinct groups were either independent of all regulation, or were dominated by violence and warfare. Even under these conditions, however, several co-existing family groups may have united in a community of labor; and in this event it must have been necessary to protect the co-workers by special agreements; and here we discover another manifestation of primitive international law, due, likewise, to economic relations. Thus, with the American Indians of the eighteenth century, when a murder was committed among men belonging to the same family group, the community refused to

concern itself with it at all; but if it occurred between men belonging to different family groups each one of them became vitally interested, and if the crime were very grave, the council, on its own authority, ordered the guilty one to be published (1).\* However, even if the exigencies of production at this juncture no longer require a body of laws to regulate the relations of the different family and political groups, the interchange of commodities among tribes demands, no less imperatively, the creation of a congeries of legal restrictions; in other words, a jural sanction is again imposed by economic necessity. In fact the constant growth in population, rendering necessary an ever increasing production, sooner or later requires the productive powers of labor to be augmented by combining the *compound* association of labor with the *simple* association; in other words commerce, or the exchange of commodities, now arises. No longer does it suffice to supplant the isolated labor of the primitive epoch, in itself of slight productivity, with associated labor; but in addition each group of associated workers must confine itself to the production of a limited number of commodities; hence arises the

\*The figures refer to the work given in the bibliography with the corresponding number.

territorial division of labor, by virtue of which each group devotes itself to the production of the wares to which its domestic conditions are best adapted, while it secures the other commodities it requires by means of exchange, or commerce. There is no doubt that commerce first arose under the form of international trade, because it alone was able to furnish the consumer with new products or commodities different from those to which he was accustomed; domestic trade did not appear until later, since it, at best, could provide the consumer only with wares differing but slightly from those he himself produced.

Owing to the fact that commerce was originally confined to the exchange of commodities which each group could procure only from without, international trade at first was absolutely free and untrammelled by any protective law. Under these conditions imports did not constitute a menace to domestic production. By this I do not mean to intimate that slavery did not, for a long time, contribute to the increase in freedom of trade, since, under this economic regime, the value of commodities may diminish to any extent below the cost price without regarding their production, the competition of low priced foreign products not constituting a serious menace to the national industries.

Foreign commerce, born in this manner and free from all restrictions, creates new and orderly relations between persons belonging to different political collectivities. It should be noted also that at first the merchant himself accompanied his wares to the importing country and that he, therefore, came in contact with its inhabitants, a circumstance which was the source of frequent disputes or quarrels between individuals of different nationalities. Moreover it is a well-known fact that trade was at first carried on by strangers; for example at Rome the first shop-keepers were the *peregrini*. Owing to this state of affairs a congeries of jural relations between the natives and the foreigners arose and a law superior to the law of the various political entities to which they belonged was found to be necessary for the regulation of these relations. In brief, an international jural institution again was found to be necessary. While, during the preceding phase of humanity, international law was needed for the control of the jural relations among individuals belonging to different political groups, but dwelling and working together in the same territory, during the phase which we have just considered this law was required for the purpose of regulating the juridic relations

of individuals belonging to various political groups, who occupied either the same, or different territories, and who were engaged in trading with each other. Consequently, while *international co-operation* gave rise to the first phase of international law, *international trade* produced the second, which, by its very nature, was an advance over the former.

However, as commerce at first is confined to the exchange of commodities, which a nation can not obtain directly (for example, the exchange of the bananas of the tropics for the furs of the polar regions), there is no possibility of international commerce compromising the domestic industries of the country, or of causing foreign industry to compete with the national. It is not difficult to understand that when these conditions prevailed, commerce was not likely to engender any strife among nations.

A period followed, however, when nations no longer confined themselves to importing commodities which they themselves were unable to produce; they began to import, in addition, wares which they could produce but at a cost somewhat higher than that of the foreign maker, and they even imported some articles which could be produced abroad only at a higher price than that for which they could be made at home.

However, as a rule, they confined themselves to the production of commodities in which the superiority of their powers of production, in comparison with those of their foreign competitor, was most marked. Under these conditions, foreign commerce, while stimulating the importation of wares which may be, and eventually are, produced at home, clearly gives rise to a competition often disastrous to the native industries, and consequently it inevitably occasions bitter contests between its own citizens and those of other countries. Whence arises an even more urgent need of legal sanctions for the regulation of these commercial and economic relations, which constantly tend to become more and more complex. In other words there is immediately felt the necessity of a further refinement in the international jural organization.

The more highly developed the economic situation becomes, the more acutely is this need felt. In fact when population increases in unequal ratios among the various peoples, differences in the cost prices of commodities may be observed; consequently products which had hitherto been obtained at home, may, under these conditions, be secured more economically by means of international trade (2). It, therefore, widens the scope of foreign commerce. Further, the pro-

gressive decrease in the productivity of the new lands brought under cultivation makes it more advantageous for each country, when its population reaches a certain stage in its growth, to import, rather than produce, the wheat it requires; it therefore creates, or accentuates, the territorial division of labor as exhibited by the separation of countries into manufacturing and agricultural. Therefore, increase in population constantly tends, in spite of innumerable obstacles, to develop international commerce. Furthermore, technical improvements always have the effect of accentuating the disparities in the cost prices of commodities produced by different countries; and by reason of this, the greater the economic development, the greater the number and the quantity of the wares that a nation acquires by means of foreign commerce, although it might, indeed, produce them at home; consequently the competition which the national industry suffers, owing to foreign commerce, is all the more general and intense, and the conflicts which it engenders are so much the more numerous and acute. Simultaneously with the development of economic conditions and the growth of population, there is a proportionate decrease in the rate of profits, which is inevitably followed by a decline in the value of those

wares which contain, comparatively, a greater proportion of technical capital than of labor, and which, consequently, may be readily exported. Hence there is still further expansion in foreign trade, in the competition which it causes, and in the conflicts which it engenders. Finally, the rate of increase of population and of production in the several states affects in various degrees the value of the circulating medium, while the unequal modification thereby occasioned in the average of the national prices sets up new currents in exports and imports.

The increase, owing to these influences, in the totality of commodities exported, which constantly became more perceptible, rendered necessary the establishment of warehouses abroad. In ancient times the Egyptians and the Romans, and in the Middle Ages, the Florentines, were accustomed to make business trips lasting a year, but as commerce reached out into new countries this became more and more difficult, and merchants were compelled at the end of their trips to store their wares in some place, and they frequently chose Flanders, as it was especially favorably situated for this purpose, with respect to both Italy and Germany. Flanders, therefore, became the warehouse for all the commerce of Tuscany, and its fairs soon came to

be regarded as the meeting place for the merchants of all the world. At a very early date connections were established between Flanders and Germany, which immediately engendered new and more complex international relations (3). In this place we must add that whenever a nation becomes indifferent to its commerce—that is, when it allows another country to use its capital in, and direct, the importing business (such is the inevitable lot of every young, as well as of every decadent nation—for example, Cologne after the Thirty Years War, and Russia in the seventeenth and eighteenth centuries) still more complicated international relations are established—relations arising, not only from trade and the balancing of debts, but also those springing from questions of sovereignty and of economic vassalage. Owing to these causes, in proportion as economic conditions develop and international commerce expands, the relations between the merchants of the various nationalities necessarily multiply, as do also the conflicts occasioned by them: hence the need of international regulations becomes still more imperative.

The first sanctions imposed for the control of international relations were of an essentially religious character. Religious liberty was at first proclaimed solely for the purpose of attracting

foreign merchants to a country and inducing them to remain, thereby enhancing trade. William Petty long ago observed that the trade of a country is preferably conducted by the heterodox portion of the population, in India by the Mohammedans, in Turkey by the Jews and the Christians, in the Italian cities of the Middle Ages by the Jews and non-catholic foreign merchants, and in France by the Huguenots. Owing to this fact, the development of commerce demands great tolerance in religious matters (4). Religion, however, does not confine itself to assuring freedom of trade to foreigners; in addition it takes them under its special protection. In very ancient times when international trade first appeared and foreign merchants came to establish themselves in Greece, altars were raised to *Zeus Xenios*, the God of Hospitality and protector of strangers. The Amphictyonic councils, the Olympian games, the temple of Delphi, were simply so many religious institutions whose purpose was to favor commerce and protect the person and the goods of merchants in foreign countries. Roman fetial law was itself simply a religious institution created to preserve peace among the nations. In commercial Holland, likewise, religious liberty was regarded as the

most efficacious means for attracting and holding foreigners and it was precisely for this reason that it was warmly advocated by the patriot De Witt (5). In America, also, religious toleration was born of commerce; the old puritans, who at first displayed great hostility toward new colonists and refused to allow them to take any part in their business affairs, ended by permitting them to do so, impelled to this change in policy by their own interests (6).

For the attainment of this end, there is, however, a means much more effectual than religion, and that is, law. It is true Roman law in the earliest age was hostile to foreigners, and the law of the Twelve Tables (III, 7) also was somewhat unfavorable to them, but very early the thinkers of antiquity began to ask for more favorable dispensations. Thus Xenophon wrote: "The revenues of the Republic might be greatly increased if the laws protected foreigners. This source of income strongly appeals to me because, not only would the foreigners themselves provide for their own wants and receive no wages, but in addition they would be of assistance to the state in many ways and would pay the tax imposed upon them in their character of foreigners. Therefore it would be to our interest to do away with everything which, without being

of direct assistance to the Republic, tends to deprecate foreigners; they should be exempted from serving in the infantry; they should be allowed to become members of the Order of Knights; they should be permitted to construct houses and to own land; a magistrate should be appointed to protect foreigners, and prizes should be offered for those who induce strangers in any considerable number to establish their domicile in Athens" (7).

Institutions and laws respond to the recommendations of thinkers. Thus at Athens was established the Tribunal of Maritime Judges, who, to obviate the loss of time, sat only during the bad season—from September to April—and whose function it was to settle disputes between sea-faring men and the merchants engaged in enterprises undertaken by and for Athens.

At Athens the function of the *proxenes* was the same as that performed at Rome by the *patroni*, who were citizens appointed to protect persons of foreign states domiciled in those cities.

In Rome an even more significant improvement in the hitherto *ex lege* status of the foreigner was brought about by the institution of hospitality. A *hostis* was an individual without the community, one to whom the law of the na-

tion did not apply. When jural relations began to be established with the *hostis*, these relations constituted the law, or the institution, of hospitality, whose principal function consisted in the mutual recognition of a portion, if not of all, of the rights constituting the *commercium*, or in the related institution of *recuperatores*, through whom foreigners were enabled to plead their causes before special judges. It was considered perfectly legitimate to rob an individual foreign to the gens, provided he was not a *hostis*. Consequently the *fædus hospitale* implicitly recognized that the gens was free for the admission and assimilation of foreign elements. Later international relations which made themselves felt in Roman society under the pressure of commerce gave rise to an exceedingly powerful lay institution, the *jus gentium*.

During the following mediæval period, communication by land was greatly hindered by the barbarous conditions which everywhere prevailed. Foreigners, who of course were rivals of the native merchants, were looked upon askance by a considerable portion of the statutory legislation; for example the laws of inheritance denied them the right of devising either their personal or their real property, and any that was situated on the frontier; moreover emi-

grants and women married to foreigners were regarded as aliens. However, the laws which specially concerned foreigners were very soon rendered less onerous in various ways. In fact with the expansion of the economic life the relations between citizens and persons from abroad rapidly changed for the better; the latter no longer were regarded, *a priori*, as enemies, but, with the development of commerce, having become capable of entering into contracts, their rights in this respect gradually came to be acknowledged, and with the further extension of the division of labor, which results from colonization, they came to be recognized as purveyors or clients. People then began to respect the property, the laws and customs, and the testamentary dispositions of aliens. This was the first effort made to attract them, and from it sprang many others; it was an excellent precedent, which gave reason to expect greater security outside of the cities. We find, for example, that, beginning with the first half of the thirteenth century, the statutes of Venice recognized this necessity by modifying the law of escheat in such a way as to protect the property of foreigners who died in Venetian territory and permitting its sale and bequest according to necessity (8).

Further, the development of trade rendered a body of laws for the protection of foreign merchants absolutely necessary. In Germany during the period of the Carlovingian dynasty there were no independent merchants. Usually at this time, foreigners—as such—were the ones who required the protection of the government; hence arose the institution known as the law of the market. This law may have been specially enacted when the government sold the feudal lords the right to collect the market taxes, since it apparently was able to impose the conditions under which the privilege was granted; among others, there was a special law favoring merchants, which was necessary to cause the market to be frequented and thereby maintain the amount produced by this tax at a high level (9).

The co-existence in the same territory of a number of persons of various nationalities, a necessary consequence of commercial relations, gives rise also to the establishment of a *personal* law for regulating the relations among citizens of different nationalities. So long as the political groups are ethnically homogeneous, or when the foreigners among them are few in number and widely scattered, it is neither necessary, nor advisable, that this law be created; we, therefore, need not be surprised to find no

traces of a system of personal law among the earliest Germanic tribes. The need and possibility of such an institution does not manifest itself until nations become more mixed, because it is only then that the state finds it advantageous. Thus it was that the Romans and the barbarians, dwelling together in the same territory, maintained distinct customs and laws, a condition which gave birth to that form of civil law which is known as the law of the person. Even at the present time, Christian nations of the white race reserve the right of extra-territoriality for their compatriots domiciled among non-Christian or colored races; by virtue of this law the Christian subjects are not answerable to the local laws, but are under the jurisdiction of their respective consuls. Not until a later period does the passage from several codes of *law of the person* to a territorial law occur. When the people, to whom the personal laws apply, disappear and, by intermingling, give rise to a new nationality, the personal laws of the old peoples must necessarily vanish. Thereupon the feudal system fuses together the various tribes and makes of them a new nation composed of vassals and serfs. Feudal law, it is true, derives the greater part of its provisions from the old laws of the person which it supplants, but the origi-

nal loses all its effect when each person at birth becomes the vassal of a lord and a member of the nation, because the law then acquires a basis and a character essentially territorial (10).

The relations, however, of people of different nationalities give rise also to the establishment of certain international conventions in addition to the legal sanctions. At a very early date men began to enter into trade agreements; the treaty following the surrender of Granada in 1492 allowed the Moors to engage in commerce along the Barbary coast, as well as in the various markets of Castile and Andalusia, without paying the taxes imposed by the Spaniards; and it was this very privilege which, exciting the jealousy of the Christian merchants, intensified, if it did not actually start, the persecution of the Moors and which finally led to their expulsion from Spain (11).

Even the Crusades, themselves, as we shall see, the product of economic factors, by uniting the European nations against the Turks, contributed to the jural organization of the States of Europe and to the adoption of common international regulations.

About this time, commerce, finding the land routes barred to it, took to the sea with irre-

sistible energy, and the ocean, so often the agent of liberty, offering a means of free communication between all the peoples of the earth, became the great trade highway of the world. This essentially maritime development of commerce engendered a new and specific form of international law, devoted to those relations which arise among sea-faring nations. Then it was that international maritime law made its appearance, giving birth to several remarkable institutions: the Consulate of the Sea at Barcelona, later voluntarily adopted by the majority of the nations of the Mediterranean; the Code of Oléron, the Ordinances of Wisby, the Table of Amalfi, the Codes of Lübeck, of Hamburg and of Bremen, and the Laws of Venice. All these codes proscribe the detention of merchants and owners of ships, of pilots and sailors, and also the confiscation of their vessels and cargoes (12).

However, so long as commercial relations are essentially maritime, they are sporadic, ephemeral and vacillating in character; consequently the prescriptions of the international jural organization arising from them are also uncertain and transitory. It was quite otherwise at the end of the Middle Ages when the advance in land communication and the abatement in the

spirit of exclusiveness finally opened the great land trade routes to commerce; from that time forth the commercial relations of the several nations no longer present an instable or abnormal character, as is the case with maritime traffic, but, on the contrary, a normal and stable one. The relations between the merchants of the divers states also became more frequent and as a corollary, the conflicts between the citizens of the various states also became more frequent, whence arose the necessity of a jural organization not sporadic and vacillating as it had been, but one exact and rigorous.

It is a fact, now clearly recognized, that the discovery of America was due to economic causes, the chief of which was the need which confronted European commerce of securing a maritime route to Asia to escape the annoyance and the payment of the tribute which the Mussulman states imposed on it. This great historic event, due to economic conditions, has had an enormous influence on the expansion of international relations and, consequently, on the creation of new and extremely complex ties among the nations.

We have now reached the beginnings of modern times; commerce expands and embraces the entire world; the relations and, consequently,

the conflicts between the citizens of the various states have become more normal and more intense. It was at this moment and in Holland, the very country which was then the center of international commerce, that Grote's great work appeared, the purpose of which was to establish the principles which ought to regulate the relations between countries, that is the formation of the first theoretic code of international law. Institutions respond to theories. In fact the evolution and the intensive increase in commercial relations require that not only commerce, but also the person of the merchant who enters a foreign country in pursuit of his calling, shall be fully protected. We therefore have not only institutions and sanctions for the protection of caravans, but also special international conventions to safeguard the traffic itself. Thus the states of Europe and Turkey entered into a series of capitulations which assured Europeans in Mussulman countries all sorts of legal immunities and administrative exemptions which rapidly increased; the idea of "the most favored nation" clause sprang from these capitulations. In fact it is the rivalries of the powers at the present time which impels diplomatists to endeavor to secure for their countries, by means of special conventions, any

advantages other nations have or may obtain. Consequently in all the older capitulations, for example, those entered into by France and Austria, it was stipulated that all the concessions which other nations should obtain from the Sublime Porte should *ipso jure* be extended also to these two countries. Although possessing a more general character, the establishment and the diffusion of consulates, as well as the creation of special privileges for diplomatic agents, were always directed to the same end. Of even greater importance were the stipulations, ever becoming more numerous, for guaranteeing the liberty of merchants and of their wares, freedom of the conscience (which, as we have seen, always favors freedom of trade), and exemption from the law of escheat. However, the constant expansion of commerce by land did not prevent the other form, maritime trade, from developing and becoming more refined; by the opening of the ports of Japan to the United States in 1854 and to Europeans in 1855-1868, it reached the extreme ends of the world, and, in consequence, maritime law became more systematic and more comprehensive. International commerce requires, moreover, certain international sanctions regarding money and the acceptance of foreign mediums of exchange. During the early stages

of foreign commerce all kinds of coins circulated freely in the countries engaged in it; but when foreign trade became more extensive, the great variety of exotic coins became a source of intolerable annoyance, and restrictions on their circulation were found necessary. It was owing to this condition of affairs that the United Provinces in 1622 passed a law making foreign coins current only by weight, a restriction introduced in France during the reign of Louis XIII.

Increasing commerce imposes the necessity of concluding commercial treaties with ever greater frequency. The treaty between England and Portugal in 1642, that of the Pyrenees between France and Spain (1659), of Méthuen between England and Portugal (1703), that of the Asiento between England and Spain (1713) contain clauses facilitating commerce between the contracting nations.

In this respect the treaty of 1860 between France and England is even more remarkable because it was followed by a series of commercial treaties, the majority of which contained the "most favored nation" clause. Even Bismarck's fall was largely due to the exigencies of German trade, which demanded certain commercial treaties, to which the prince was opposed,

and which were promptly concluded by his successor.

Economic development, however, gives rise to certain international relations, equally complex and profound, but of a different order from those of a commercial character. It is well known that the greater the increase in population the greater the decline in the rate of profit; hence the rate of profit in old and densely populated countries, in comparison with that in younger ones, is necessarily lower. Now a higher rate of profit in a foreign country, in comparison with the domestic rate, causes capital to flow into that country. This transference of capital is manifested under three fundamental forms—credit, the direct employment of capital, and colonization. Any one of these forms suffices to establish between the citizens of the various nations close and lasting bonds which must be regulated by a body of higher laws.

Above all else, the law must protect foreign creditors; it must furnish guarantees that they will recover the amounts due them; it must assure the promptness of their debtors, whether they be individuals or the state itself. If the latter is negligent, or refuses to pay the interest due its foreign creditors, the matter becomes more complicated and it may engender interna-

tional institutions of a character more formal and more imperious for the purpose of forcing the offending state to fulfill its obligations. Among these institutions we must mention the joint commissions, which are appointed by creditor countries, to compel debtor states to pay the interest on the public debt, and which only too often are the prelude to the establishment of protectorates and military occupations, or to the most brutal annexations of territory.

All that has been said regarding credit may be applied with equal force to the two other forms of the international employment of capital. When the capital of a state, where the rate of interest is very low, is used for the purchase of landed properties or to establish industrial enterprises in foreign countries, where the rate of interest is high, the legal protection accorded by the latter to such of its own citizens as are owners of land or industrial establishments, must be extended also to foreigners, and this can be accomplished only by the imposition of international sanctions.

Moreover, if the transfer of capital causes—as sometimes happens—the colonization of the importing country, there is established between the colonists and the indigenous population a series of relations which require special laws for

their regulation. It is precisely with this end in view that joint tribunals, charged with the regulation of the relations between the Europeans and the natives in colonial lands are created. We have here another subject for international conventions—for example, the Franco-British agreement of April, 1904, which was intended to put an end to the colonial litigation between the two nations.

The conditions prevailing in densely populated countries give rise, not only to the export of capital, but also to the export of men, that is—to emigration. For a long time the countries into which immigration was flowing passed laws hostile to the new-comers. Thus in England Henry VIII blamed the large number of alien artisans in London for the increase in the cost of living from which the city suffered, and they were accordingly forbidden to keep more than two foreign boys, or apprentices, in their homes, and all foreigners were required to pay a poll tax (13). In 1547 the number of foreign artisans in London was so great that 15,000 Flemings were required, by order of the council, to leave the city; and as late as 27th June, 1815, the King of Piedmont ordered all the French, who had settled in his state, following 1792, to leave within twenty days.

Finally, however, the hostility towards immigrants began to diminish and give place to more favorable sanctions. Immigration establishes more constant relations between people of different nationalities dwelling in the same country—hence the necessity arises of new institutions and new dispositions in the sphere of international law.

In this respect the progress made in France in the eighteenth and nineteenth centuries in the regulations regarding the legal status of aliens, is especially noteworthy. A decree of 6th August, 1790, annulled the law of escheat and that of *detraction*; the law of 14th July, 1819, did away with its last traces, found in Articles 726 and 912 of the code of Napoleon, and abolished all restrictions from which foreigners suffered in the matters of donation, of inheritance and of testament; the law of 5th July, 1844, conceded to foreigners the right of taking out patents; the law of 23rd July, 1857, guaranteed their rights to trade-marks for the products of their factories in France. In fine, the French law accords unusual privileges to all foreign merchants and industrials (14).

And this is not all; earnest efforts have also been made to create a workingman's law which shall afford the same protection to foreign labor-

ers that it does to native. This law especially concerns itself with two fundamental subjects—that of unions and that of the insurance of foreign workmen.

Regarding labor unions two questions present themselves:

I. Shall foreign workmen residing in a country have the right to form independent groups? In France this question was decided affirmatively but with two restrictions; first, the administration of these groups must be French; second, in the colonies the coolies, Indians, etc., cannot become members of a union. The first restriction is a last survival of the old anti-international exclusiveness, while the second is merely a specific case of the law of social retrogression of colonies by virtue of which institutions that obtained during an earlier period in the mother country spring up in the colony.

II. The second question that presents itself is the following: What rights should labor unions composed of alien workers have in a country? This query is connected with a broader and more general question: Shall foreign individuals, simply by virtue of the fact that they have taken up their abode in a country other than their own, have the right to entire freedom of action there? Regarding this ques-

tion there are two diametrically opposed opinions. Some maintain that the effects of the personality—which is a mere legal fiction—in a territory depend solely upon the laws in force and that, consequently, foreign personalities have no rights in a country until the state has recognized them. According to this theory, therefore, no alien group has any right to appear in court—as plaintiff it should be understood; although, of course, no individual who has a claim against a foreign group shall be denied the right to cause its appearance before the proper tribunal. On the other hand, there is a more liberal opinion according to which in every country, regularly constituted societies, no matter who their members are, may freely act as such, and that, as the foreign individual has a perfect right to exercise his functions, the same right must be allowed groups of aliens. Undoubtedly this second opinion, which is the more liberal, will prevail.

The question of the insurance of foreign workmen and of the indemnities to be paid them in case of accident, is a more difficult one to resolve. Regarding insurance against sickness and old age, some maintain that this must be considered simply as a matter of public policy and that, therefore, it affects only citizens and should

not, in the absence of any international agreement, apply to aliens. However, if we grant that this insurance ought to be extended to foreign laborers by international conventions, difficulties may arise if the amounts contributed by the government vary in the two countries. Moreover, others insist that the part paid by the state should go only to the native workers; it is admitted, however, that the state to which the foreign laborers belong should pay the state in which they are employed, so that the amount of the pensions may reach those of its citizens who are engaged abroad.

In the matter of indemnity in case of accident, some hold that, in the absence of treaties, a workman injured while abroad should be treated exactly as he would be treated by his own government, or that the state to which he belongs should indemnify him for the accident. Others ask whether the law of the country where the accident occurred, or that of the place where the contract was made, should apply. The former seems to be the more generally accepted view. Again, others insist that damages for accidents to contract laborers come under the domain of private law, and that, therefore, foreign, as well as native, workers are affected by its provisions. Thus Feigenwinter maintains that

foreigners ought to have the same rights as natives, and that the German theory to the contrary is inadmissible. The ideal view would be to regard the employment of foreign workmen in a state as constituting a reciprocal responsibility, and in case of accident that the indemnities should be borne by the employing state—an obligation which could be covered by treaty, although the principle ought to prevail regardless of any convention (15).

Here, as everywhere else, theory only follows facts. For a long time—it is true—laws for the protection of labor were exclusively national in character. The proposed French law of 1900 regarding workingmen's pensions, by which native laborers alone were to benefit, was inspired by this idea. Moreover, it also imposed a supplementary premium to be paid by those who employed foreign laborers. At present, however, there is a tendency to reject these narrow views, and two other plans have been suggested: Either the state shall grant indemnities in case of accident to all laborers, without distinction, working in its domain, or it shall grant them only to those foreign workers whose own government treats the obligation as reciprocal. Some countries pay damages in case of accident to all laborers without regard to their nationality.

(England, Italy, Spain, Russia, Belgium); others (Austria, Denmark, Norway, Greece) in the case of foreign laborers limit themselves to the payment of a fixed sum; others (Germany, France, Sweden) pay the foreigner an indemnity only in case his own government reciprocates; the Dutch law of 2nd January, 1901, considers only two contingencies: In case the industry in which the accident occurred has its administrative office in Holland, in which case the law applies only in case of reciprocity; and when the enterprise has its seat abroad the law embraces the foreign laborer if he is domiciled in Holland; otherwise it applies only in case there is reciprocity.

In recent years governments have entered into numerous agreements for the purpose of assuring perfect legal equality to the workmen of the contracting nations in matters of insurance. Thus the Franco-Italian convention of 15th April, 1904, established the right (16) of Italians residing in France to deposit in the Italian postal savings banks and *vice versa*, a similar convention having been entered into by Belgium and France as early as 31st March, 1882; and what is of even greater importance, the two governments agreed to facilitate the payments of Italians residing in France into the Caisse

Nationale de Prévoyance and *vice versa*; as well as the payment in France of pensions granted, either to the Italians, or to the French, by the Caisse Nationale Italienne and *vice versa*.

Finally—and this is very important—it was stipulated that Italian laborers who were the victims of accidents while at work in France, and their representatives, should have the right to the same indemnities as the French, and *vice versa*. Italian beneficiaries of pensions who give up their residence in France, as well as the representatives of victims of accidents, who did not reside in France at the time of the accident, have a right to an indemnity to be determined by the nature of the case.

Following the Franco-Italian convention of 1904 a further advance is to be noted in the French law of 31st March, 1905, which sanctions the principle of diplomatic reciprocity; following this, France and Italy entered into the convention of 9th September, 1906, which, for the period of five years, provides pensions for the representatives of Italian workmen who have been the victims of accidents in France and of French laborers in Italy, equal to those granted native workers.

Mutual treaties for the protection of laboring men in case of accident have also been drawn up

between Italy and Germany (April, 1909) and between Italy and Hungary (September, 1909).

Owing to the fact that the number of French immigrants in Italy in 1901 was only 8,768, while there were 230,000 Italian laborers in France, the convention of 1904 seems to accord more to Italy than it actually does grant, because the disparity is offset by Italy's formal agreement to undertake the supervision of labor within her boundaries, and to reduce the hours of work for women. As the absence of any protection and the excessive exploitation of Italian labor caused the competition of the manufacturers of Lombardy to be a constant menace to French industry, it is easy to understand how great was the advantage which inured to French economy by reason of this assurance on the part of Italy.

These recent legislative manifestations constitute a convincing demonstration of the powerful influence which economic relations have in the creation of international law. In fact, when we examine the Franco-Italian convention of 1904 more closely, we discover that it was entirely due to an essentially economic fact: the inferiority in the economic conditions of Italian laborers when compared with those of their fellows in France. It was the lower wages in Italy, in

comparison with those in France, which caused the heavy migration of Italian laborers to the latter country, and subsequently the urgent need they experienced of some arrangement to protect their savings, and to insure them in case of accident in their new asylum; on the other hand, the excessive length of the working day in Italy was the cause of competition dangerous to French industry from which it sought to defend itself by inducing Italy to appoint a board of industrial inspectors to secure the observance of the law limiting the hours of labor. It was from this double economic necessity that was born the Franco-Italian convention, establishing this *do ut des*, or the protection of the Italian workmen in France in exchange for the protection given French industry against Italian competition.

The Franco-Italian convention of 1904 fortunately found many imitators later. Thus the treaty of commerce between Italy and Switzerland of 13th July, 1904, says in Article 17: the contracting parties agree to investigate the question of workingmen's insurance in the two countries for the purpose of assuring, so far as possible, equally favorable treatment to the laborers of both.

The treaty of 3rd December, 1904, supple-

mental to the treaty of commerce of 6th December, 1901, between the German Empire and Italy, reproduces in its fourth article the article quoted above, which also forms Article 6 of the treaty of 19th January, 1905, supplemental to the treaty of commerce of 6th December, 1891, between the German Empire and Austria-Hungary. The Italo-German treaty of 3rd December, 1904, and the Austro-German treaty of 19th January, 1905, contain an article by which the two powers contract to establish an agreement regarding workingmen's insurance.

There is no doubt that the creation and the progressive expansion of the world-markets urgently demands the internationalization of the laws regarding labor in order that the competition of those countries where there are no restrictions shall not ruin those where it is protected. In the Reichstag, as early as 10th February, 1905, Minister Posadowski stated that it was to Germany's interest to conclude international treaties regarding labor legislation, to avoid the disastrous competition of those countries where it was unprotected. With this end in view Germany assumed the initiative in negotiations with Italy, Switzerland, Austria-Hungary and Belgium, for the purpose of securing in these several countries a decrease in the hours

of labor for women in factories, which was fixed at ten hours for workers over sixteen years of age.

Finally, the Franco-Italian convention rendered easier the labors of the Berne Conference of the Association for the Legal Protection of Laborers (May, 1905), which forbade the employment of women in night work, and also prohibited the manufacture of matches containing white phosphorus after January, 1911. The internationalization of laws regarding labor doubtless will encounter difficulties arising from the question of international control; it would, however, be the height of folly to regard these difficulties as insuperable.

However, the constantly increasing points of contact between individuals belonging to different nations, or rather to different states, gives rise to more numerous and more complex international or, as the Americans say, more correctly, interstate jural relations. We are daily becoming more accustomed to the idea that the foreign law, and not the domestic, must be applied to the legal relations which are being established abroad; and this, no longer, as was formerly believed, by courtesy, but owing to actual legal obligations. The codes of several states contain special dispositions on this sub-

ject. And this is not all. International agreements are now being made for the granting of divorce to aliens; the treaties of Brussels and of Berlin protect the natives of colonies, proscribe the slave trade, and assure to all nations freedom of commerce, equal rights and the unrestricted navigation of the great rivers. An entirely new form of law is in course of evolution—international administrative law—which endeavors to protect the development of the international economic complex by co-ordinating the administrative functions of the various states, and where this is impossible, by establishing special institutions. To protect the common interests, international conferences are held, which lead to the establishment of postal, telegraphic and submarine-cable unions. There are also agreements for the protection of literary, artistic and industrial property; for the standardization of weights and measure, etc., as well as railway, monetary, sanitary unions, etc.

Thus the development of the revenue, in its ascending phase, exercises a threefold influence in rendering international institutions necessary:

1. By its effect on production, that is to say, by compelling, at a certain stage in its development, the co-operation of individuals belonging to heterogeneous social and political groups.

2. By its effect on the circulation of commodities, that is, by favoring commerce among nations.

3. By its effect on distribution, that is, by causing the migration of capital and men, thus engendering those international relations which arise from credit, from the employment of capital, from colonization and from emigration.

## CHAPTER II.

### ECONOMIC RELATIONS DESTROY THE INTERNATIONAL JURAL ORGANIZATION.

Association of labor, exchange of commodities, and the international employment of capital and labor, which constitute the *physiological* means for increasing the productivity of human efforts and, consequently, the total amount of the world's revenue, tend, as we have just seen, to establish jural relations between states, or, in other words, they engender a congeries of international legal institutions. There comes a time, however, when these means, carried to their limit, fail to prevent a decrease in the revenue, which, in spite of all efforts constantly becomes progressively more marked. In fact, the revenue is a concomitant of the forced association of labor, which contains in itself, and develops in its progress, a series of checks to the expansion of the productive forces, which continue to multiply in proportion as each form of the economic complex develops. Now these increasing restraints finally become so numerous and so powerful that they render impossible any increase in the productivity of labor, which, otherwise, would attend the advance in technique; then follows a positive retrogression in the efficiency of

the productive forces and, consequently, in the sum of the products and in the revenue. This is the reason that each of the historical forms which the revenue assumes in the course of its long evolution follows the exact curve of a parabola, presenting a period of ascension, succeeded by one of progressive decline; precisely because this decline takes place, in spite of the increasing development in technical methods, owing to causes inherent in the economic organism, it is by its very nature irremediable, that is to say, it cannot be prevented by any means devised for increasing production. Arrived at this point, the revenue, which is unable to retard its own decline by any physiological methods devised to increase production, is compelled to have recourse to pathological means—the violent appropriation of the revenues of others.

Now, when the appropriation takes place at the expense of the revenue of another citizen, it, of course, cannot violate the law of the nation, which is supported by rigorous sanctions. When, however, the appropriation takes place at the expense of a foreign revenue, its first effect is to destroy the entire international jural organization, which had been timidly asserting itself during the ascending phase of the revenue, and which was to a certain extent an obstacle to

these new and questionable proceedings. Therefore the international legal organization which had grown up during the rising period of the revenue rapidly disappears when profits begin to decline.

One of the first remedies applied to increase the national revenue at the expense of the foreign is protection, to which recourse is always freely had whenever the revenue is found to be declining. Thus in the Middle Ages, the more the revenue dropped, the more duties were multiplied and the more numerous became the restrictions on international trade—devices which, as we have seen, were unknown in ancient times—while foreign merchants were overwhelmed with vexatious restraints of every sort; traders were required to spend all they had obtained by the sale of their own wares for products of the country where they were sojourning, and they were harassed with all sorts of exactions. This violent annexation of foreign revenues not only resulted in the destruction of all traces of the *jus gentium*, which flourished during the Roman epoch, but it gave birth, moreover, to a series of anti-international institutions directed to the violent destruction of all rights of aliens, and to the impairment of their property; such were the confiscations, the law of escheat, the reprisals—

in brief, all the various means offered by a state to its citizens for avoiding payment of their debts to the inhabitants of another state, when some of the latter happen to be insolvent debtors of the citizens of the former. These institutions constitute the absolute negation of international law.

To the same order of phenomena belong the laws against foreigners which, as a rule, become more severe during those years when the revenue is declining. Thus, in the United States and in Australia it was at the exact moment when the revenues commenced to decline that laws began to be passed restricting immigration—especially against the Italians, Chinese and Japanese. The French law of 8th August, 1891, concerning the protection of the national labor and the sojourn of foreigners, obliges them to register; that of 9th April, 1898, limits the rights of alien laborers who are victims of accidents and who subsequently cease to reside in French territory, to an indemnity equal to three times the annual pension given them, and refuses all damages to the representatives of any foreign workmen if at the time of the accident they did not reside in France. This disposition, in so far as Italy was concerned, was annulled by the Franco-Italian convention of 1904, quoted above.

When these restrictive methods, however, reach their maximum of efficacy, or when it is no longer possible to apply them, a more drastic method, war, must be employed to arrest the decline in revenue. War increases the income of belligerent nations in two ways—either by relieving them of the idle and turbulent elements who are always a charge on the revenue, or by increasing the income of the victorious nation at the expense of that of the vanquished. Regarding the former method Montchrétien long ago observed: "Nothing has contributed so much to prevent civil strife in Spain as the great diversion which her kings created by means of the Indes and the countries they owned in Europe, whither they sent their hot-headed subjects" (17). The second method likewise has long been recognized by the more astute thinkers. Thus Plato (18) observes that a marked increase in population leads to struggles, because it compels a people to make war on its neighbors for the purpose of securing a portion of their pasturage. Malthus makes the same statement (19). There is no doubt that the earliest migrations of peoples, which was the first form of war, often were caused by increasing density of population. Thus Paul Warnefride (20) relates that the Lombards, having multiplied too fast in Scandi-

navia, their fatherland, divided themselves into three groups and drew lots to determine which should set forth in quest of new territory—an imitation of the *ver sacrum* of Italy. It is none the less true, however, that often the migrations, and the wars to which they led, were not preceded by any increase in population. Moreover, there is little likelihood that there ever was an excessive population in remote ages. Caesar states that when the Germanic tribes migrated they still possessed vast uncultivated tracts of land (21); and Gibbon remarks: "For my part I have not been able to discover any proof that their (the barbarians') migrations ever proceeded from want of room at home."

It is not because all the lands of the Germans were already under cultivation, or that they were inadequate for their support, says an illustrious historian, but owing to a desire for booty and adventures, that the Teutons descended upon Italy; often they left their own country depopulated (22). It would therefore be incorrect to say that wars are always the effect of excessive population; at the same time we must not infer from this fact that increase in population is never a factor in causing war. Malthus very correctly observes that in countries where military service is not obligatory recruiting officers

always pray for poor harvests and lack of work, for these factors, causing an excess among the idle, render the work of recruiting much easier. There can be no doubt that a too rapid growth in population, by increasing the number of soldiers who offer themselves, may bring about war.

An American writer, Robinson, maintains that the fundamental cause of war is to be found in the decreasing productivity of the soil, which, causing a scarcity of food produced within the national domain, leads to the violent annexation of the fertile lands belonging to others (23). There certainly is some truth in this statement, for often the poorest peoples, inhabiting wooded countries, or lands which have become impoverished, invade the fertile fields of their more fortunate neighbors (24). Thus in the basin of the Bundemir and the Oxus, the land having become unproductive owing to the drying up of these streams, the Iranians migrated to Persia and Afghanistan (25); and it is well known that the Germans who overran the Roman province had suffered severely from lack of food (22). However, as I have had occasion to observe elsewhere (26), to obviate the effects of the decreasing productivity of the soil, it is not absolutely necessary to have recourse to war, because large areas of fertile land which may be

acquired peaceably are always available, and, if necessary, grain may be imported from abroad. The real cause of war, on the contrary, is seen most clearly when it is studied in correlation with the decrease in profits, which, of course, may itself be due to the increase in population and to the diminishing productivity of the soil, but which may also manifest itself independently of these two phenomena as a direct effect of the diminishing productivity of labor brought about by each of the successive historical phases of the forced association of labor. In other words, as Proudhon remarks, war is always the result of an economic strain (27) which cannot be remedied by less costly and less complicated means, such as commerce or a commercial monopoly. Benjamin Constant also truthfully observes: "Men have recourse to war only when they feel that commerce is unable to secure for them what they seek to obtain by force" (28).

At first war and commerce did not differ materially from each other; the latter was simply a sort of transformation of the former—that is, commerce was supported by warfare. Mephistopheles' remark, "Either I know nothing about navigation, or war, commerce and piracy constitute an indissoluble trinity," certainly is true

of the earliest times. "You call me a robber," said a pirate to Alexander, "because I own only a single vessel; you would call me king if I, like you, possessed two hundred." "The spirit of commerce," remarks Genovesi, "is simply that of conquest." Among barbarians, persons and lands were conquered, among commercial peoples it is wealth that is the object of conquest (29). The earliest commerce was simply a change from the raids barbarians made on each other, and in its first manifestations numerous traces of its origin are found; in fact, primitive trade was always carried on by men bearing arms, who laid them aside only while the commodities were actually being exchanged. Barter, the earliest form of commerce, took place not between individuals, but between different tribes, and the formalities by which it was accomplished possessed a certain character of hostility and distrust. Moreover, Etruscan commerce developed under the protection of piracy, and even in the *Corpus Juris* mention is made of a law of Solon which regarded the Association of Pirates as perfectly legitimate. However, even when war is sharply differentiated from commerce and is itself a specific method for securing riches, commerce is frequently the motive which underlies and causes it to break out (30).

Whenever war occurs, it is always as a reaction against a decrease in profits. In countries possessing large tracts of unoccupied, fertile lands and where the revenue, consequently, remains at a high point, war is merely a diversion. Thus the American tribe of Texcocos every twenty days embarked upon a little war against some one of the neighboring tribes, care being had to select a different enemy each time (31). Of course, under conditions which prevailed then, defeated tribes could avoid conquest by removing to more distant lands. However, even among these primitive peoples the decrease in revenue sometimes was severely felt; for example, owing to the scarcity of food within their own territory, the Apaches were hunters and robbers (32). The Mexicans likewise were constantly engaged in warfare with their neighbors, ostensibly inspired by some sort of religious feeling, but in reality to provide themselves with human flesh (31). Not until culture reaches a higher stage does the development of militarism enable agricultural peoples to subjugate their weaker neighbors, while the increase in the population, and the disappearance of free lands, prevent the latter from retiring to other territories (33). It may be stated as a general truth that whenever an indigenous community establishes

itself on the frontiers of a state composed of natives of the same tribe, and comparatively well ordered and controlled by formal, systematic institutions, intolerable to the former, the less strictly organized body will become a band of plunderers, and eventually, conquerors. Thus, according to the legend, Rome was founded by a tribe of brigands (34). However, it is always the insufficiency of production and of profits which impels these robbers to war and conquest.

The fact that war is caused by a lowering of the revenue becomes still more apparent when humanity has emerged from the tribal stage and established a more stable and a more complex political organization. In ancient Persia, when the revenue derived from its archaic natural economy declined, the most savage wars broke out and continued until that decrepit empire was completely overthrown by Alexander the Great. The wars of Greece, according to Thucydides, were caused by the inequality of wealth, and he adds, Agamemnon's ability to gather a fleet was entirely due to the fact that he was the wealthiest Greek of his day, and not because the lovers of Helen, his followers, had sworn to make an alliance with Tyndareus. Most of the wars of Athens were caused by the necessity of securing additional lands, its own territory be-

ing insufficient. By conquest she sought to obtain lands for the poor (35). The war between Athens and Sparta was the result of a conflict between the monetary economy and the natural economy. The Peloponnesian war was brought about by the excess in the population of Athens and by the poverty of its soil, which caused it to engage in commerce, and subsequently to annex Megara for the purpose of securing control of the Mediterranean; by this step she came into violent conflict with her rival, Corinth, who immediately entered into an alliance with Sparta, dragging her into an ever-widening conflict (23). Those, however, who have the chief interest in war are always the great capitalists, who find in them a means for increasing their revenues. Thus, in the Greek cities the poor were always in favor of peace, while the rich wanted wars, consequently the direction of foreign politics always depended upon the eternal conflict between those who have and those who have not. Similarly, in Rome the Third Punic War was merely a revolt of Latin property, determined to repair its diminished revenues, at the expense of the powerful Queen of the Seas. In Rome, also, war was specially advocated and desired by the rich because it increased the cost of food and permitted them to fleece the poor

(35, 36). If the wealth of Tyre, of Sidon, of Carthage, was a product of industry, that of Babylon, of Persia, of Greece and of Rome was due to robbery (37).

Although in the Middle Ages the costs of war fell principally upon the great property-owners and not upon the small ones (38), it furnished the former with a powerful means for checking the decline in their revenues. In reality, the sole purpose of the Crusades was to increase the income of European feudal lords at the expense of the Syrian or oriental revenue; and it was for the same purpose that the Japanese expedition of 1592-1598 was directed against Corea and China; this was simply an Asiatic repetition of the Crusades. Later, when the feudal and chivalric element lost its ancient authority and the bourgeoisie assumed the ascendancy, the change was immediately followed by a metamorphosis in the military art. In fact, as early as the fourteenth century the shield was discarded, while the non-chivalrous elements constantly tended to assume a greater and greater part in battle; somewhat later, in 1420, Ziska, who armed the peasants of Bohemia, created the first army of infantry, thereby introducing a new military system. The representatives of decadent chivalry were then compelled to fight their last fight

against the new forces which were appearing on the economic and the military horizon. The wars between France and England, which filled the Middle Ages with their brilliant achievements and their disasters and which are immortalized in Shakespeare's Histories, were merely the last efforts of declining feudal income to retard its fall by waging a war on the nascent bourgeois revenue, efforts, however, which led to its destruction. The French cavaliers who covered one eye with a red bandage and swore never to remove it until they had destroyed England, were, in fact, merely the last champions of an uncertain and decrepit form of revenue; they sought its salvation only to find its ruin in war. The old blind king, John of Luxemburg, showed that he was fully conscious of this tragic destiny when, at the battle of Crécy, he tied his horse to that of a young cavalier whom he ordered to conduct him into the thick of the battle in order that he might fight the last fight with the arms of the noble.

Further, the struggles of Pisa and Florence, the Italian wars of the fifteenth and sixteenth centuries, and the Seven Years' War (1756-1763) were due to economic causes. The only war undertaken by England during the ministry of Walpole, that with Spain, was caused by her

opposition to the smuggling carried on by English ships in Spanish America and by England's desire to deprive Spain of her commerce with her own colonies. Holland's struggle for independence against Spain was in reality simply a privateering war on the Spanish merchant marine, and the Hispano-American colonial trade. The war of England against Napoleon was merely a reaction against the Napoleonic conquests which threatened Britain's commerce. In cases like these war admirably fulfills its function of increasing the revenues of the wealthy and especially of the great English proprietors.

“The peace has made one general malcontent  
Of these high-market patriots; war was rent.”

—Byron, *Don Juan*.

The invasion of Algiers was the effect of economic causes. The Crimean war was brought about by England's determination to defend the route to India, which was of the first importance to her commerce. Field Marshal von Moltke, in the preface of the popular edition of his *Franco-Prussian War*, says: “The great wars of recent times have broken out against the will of the governments. The bourse has now acquired an influence which can mobilize armies for the

protection of its interests. Mexico and Egypt were occupied by European armies to secure the payment of debts due high finance.' The wealth of the mining region of Lorraine caused its annexation to Germany in 1870. The Chinese war was undertaken to impede the progress of the United States. The Spanish war was merely the result of the decline in the profits of the American sugar manufacturers. The war in the Transvaal was the work of financiers and speculators in gold mines, who expected to reap great profits from a military adventure in South Africa. These hopes on the part of British financiers were in their turn aroused by the disquieting decline in the English revenue. The Russo-Japanese war was the result of the unfavorable economic situation of Russia, which had caused a decrease in her revenue that induced her to endeavor to repair the loss by enlarging her trade by means of forcible annexations in Asia; while at the same time, Japan's revenue was rigidly limited by her restricted territorial boundaries, and she, therefore, was determined, regardless of the cost, to expand by means of exportation and by the colonization of Corea, which lay close at her door, and of Manchuria. The present war of France with Morocco was begun simply for the purpose of forcing the lat-

ter country to undergo expenses which she could not support without having recourse to a loan which would feather the nests of the French bankers. What more need I say? The present economic rivalry of Germany and Great Britain contains the seeds of a future war. England never announced the new imperialism of Chamberlain until she found that Germany was threatening her supremacy in the textile and metal industries; while, on the other hand, the world politics of William II shows that the sole aim of Teutonic activity was the reduction of the commercial power of England. The politicians of the two countries, who represent the mercantile classes, and who everywhere now hold the balance of power, are convinced that their nations will inevitably retrograde if they do not crush their rivals. The English Unionists, like the liberals or the radical partisans of expansion who support Asquith, are merely the spokesmen of those merchants who are looking for new markets and additional customers. In the same way the German Liberal Nationalists and Liberal Democrats, with the National Zeitung at their head, are simply the political representatives of the manufacturers of Rhenish Prussia and Westphalia. As Paul Leroy-Beaulieu well says, they all hate each other like

shop keepers on opposite sides of the street, standing in their doors waiting for customers, each praying for the failure of his rival (39). Finally, the whole modern imperialistic movement, that is to say, the efforts of all the European states and of America to secure additional colonies is merely the result of the decline in revenue and of the desire to find a remedy for it; in other words, it is a derivative of the economic situation. An Italian writer, Biasutti, clearly demonstrates that geographic expansion has never had any other purpose than the annexation of territory and the concomitant economic growth. The work of private explorers, although apparently inspired by scientific aims, is, in fact, merely an extension of the supreme interests of capital; and it is always carried on in those countries whose annexation is demanded by capitalistic interests. When the various nations of Europe began the colonization of Africa there was a brief time when it was supposed that the work was being prosecuted with a scientific end in view; and it was suggested that the nations join in the work of exploring the Dark Continent, and thereby enlarge the knowledge of African geography exclusively in the interests of science. The international exploration scheme, however, was short lived, each of the nations

hurriedly withdrawing from the work, in order that it might proceed independently and for its own gain (40).

Not only does the economic factor cause wars, but it also determines their outcome, for all wars end with the triumph of the nation economically the strongest. Frederick II remarked: "With bayonets victories may be won, but it is economic conditions that decide the issue of wars." The final victory of England over Napoleon was due to her great technical inventions which had given such an impetus to her industries that she had become indispensable as a purveyor of manufactured goods to her colonies, which had become independent, as well as to all of Europe, industries also which forced Napoleon to permit the smuggling of English wares. The fact that victorious Japan was compelled to be satisfied with an absurdly small war indemnity from Russia, whom she had utterly defeated, was due chiefly to the exhausted economic conditions of the Empire of the Rising Sun. Of course, there were other circumstances which contributed to this result, but they all were essentially economic in character; for example, the pressure of the English bankers who had lent vast sums to Japan at the advantageous rate of 8.4 per cent, guaranteed by the receipts of the tobacco monopoly,

and who were anxious that their debtor should not grow too rich and thereby be able to repay their loans. This debt itself, with its excessively burdensome terms, was due to the embarrassed conditions of Japanese finances. It should be added also that high finance of Europe and America felt itself threatened by the Russian revolution, and consequently did not want Czarism to be completely overthrown. In every case the forces that dictate the conditions of peace are wholly economic in character.

Commercial restrictions and wars are not the sole means for repairing declining domestic revenues at the expense of the foreign. This can be accomplished also by inciting a revolution in a foreign country and then exploiting it for selfish purposes. Thus, in Palestine and in Greece, the Romans incited conflicts between the rich and the poor, aiding the former to secure the victory, and thereby rendering the conquest of these countries easy for themselves. Coming down to more modern times, the frequent revolutions that occur in Saint Domingo and Haiti are merely commercial enterprises organized, until recently, by English houses and, at present, by German commercial firms who have in their offices special agents whose sole function is to incite revolutionary movements, and who pay good sal-

aries to politico-commercial travelling men for this purpose. The intervention of the United States in the affairs of Cuba was due to the machinations of American business houses established on the island and they greatly profited by the change in status. Need I add anything further? The United States did not hesitate to incite the province of Panama to rebellion against Colombia, and to use its fleet to prevent the landing of the army dispatched to put down the insurrection and to protect and sanction the establishment of the rebellious province as an independent republic, and all for the purpose of acquiring *sovereign property rights*—a legal phrase coined expressly for the occasion—to that portion of the territory of the new republic which it required for the interoceanic canal.

Further, a country where profits are declining may succeed in restoring them at the expense of the alien revenue by taking possession of the foreign country. Thus, in 1901, France sent Admiral Caillard to Mytilene to collect the Tubini and Lorando claims. The annexations of Madagascar and of Tunisia by France, like the English seizure of Egypt and Cyprus, are merely other examples of this mode of procedure.

However, further illustrations of a truth,

which may be said to be now universally recognized, are unnecessary. What we have still to demonstrate is that wars, revolutions incited abroad, annexations of territory, protectorates, in a word, all the pathological means devised for raising the revenues, cannot be employed without shattering every rule of international law, and shamefully disregarding all its sanctions. In fact, no state can enrich itself at the expense of another without trampling international law under foot, although it may not proceed as far as war. At no period of history have states hesitated to tear up any international treaty that hampered their movements. Thus Russia, in 1871, completely disregarding the treaty of Paris of 1856, asserted her right to send her fleet into the Black Sea; Austria, in 1908, tore up the treaty of Berlin and annexed Bosnia and Herzegovina. This proceeding is so common that John Stuart Mill long ago suggested that international treaties should be binding for only a limited period, the indemnities or annexations made under them, however, not to be surrendered with the lapse of the treaty.

During a war between nations what actually becomes of international law? Its role is reduced to that of the two cannons which guard the gates of Pekin, and which are said to be mag-

nificent, although they have one defect—they are made of paper which, while rendering them very easy to handle in time of peace, makes them quite worthless in time of war. Professor Hamacker doubtless was convinced of the slight value of international law when, in addressing the students of the University of Utrecht in his closing lecture of 1902, he remarked: "I have hitherto conscientiously instructed you in international law but, in view of the war in the Transvaal, I am forced to impart a truth to you which is extremely painful, namely: I have been teaching you something which does not exist." The truth is that when a nation, whether it be a monarchy or a republic, has recourse to war, the relations between the states necessarily become anarchical, and the entire edifice of international sanctions, which jurists have erected with such pains, tumbles like a house of cards, or, more correctly, vanishes like a castle in Spain, into the air, leaving no traces.

It has been estimated that from the year 1496 B. C., the date of the Amphictyonic treaty, to 1861, the world has enjoyed only 257 years of peace, as against 3130 years of war, that is, one year of the former to twelve of the latter. This is equivalent to saying that in the entire history of humanity

the violation of international law has been the rule, while its observance has been the exception. There is slight consolation in the thought that international law, while denied in fact, has continued to exist as an abstract and theoretical rule for the conduct of nations. For of what use is a rule if it has no practical effect, and if it is constantly violated in the most shameless manner? Von Ihering says a law without sanction is a flame without heat. The comparison, however, is not altogether a happy one, since a flame without heat, instead of being useless or disadvantageous, is the supreme desideratum of technical science; therefore it seems to be nearer the truth to say, using a similar analogy, that a law without sanction is like those ultra-red or ultra-violet rays which are absolutely imperceptible to our senses and which only the most delicate scientific instruments can detect and examine. It is, therefore, reduced to an abstract and fleeting conception, of interest only to the scholar, and one which finds no application in the field of reality.

Thus, the revenue, which in the ascending period of its evolution creates international law, engenders, when it reaches the unavoidable phase of decline, dissensions and wars, which result in the destruction of this jural institution. Eco-

nomic relations, having given birth to an international legal organization, in one stage of their development, blindly bring about its utter negation in the following phase, or, in other words, destroy their own issue, converting it into a mere phantom, powerless and lifeless.

## CHAPTER III.

### ECONOMIC RELATIONS RESTORE THE INTERNATIONAL JURAL ORGANIZATION IN PART.

Even when war is successful in securing an advantage for the national revenue at the expense of the foreign, it always occasions a great loss by the destruction of men and capital; and with economic and technical progress this loss ever tends to become greater and greater. The development of the instruments of war alone is sufficient to bring about this result because their powers of destruction are proportionately increased. Disregarding this purely technical influence in order that we may direct our attention exclusively to the economic phase, it is evident, in the first place, that the more war develops and the more frequently conquered states are annexed, the more the number of warring nations diminishes and, by so much, the power of each one increases. Now, so long as the warring states are of slight territorial extent the sum of the wealth destroyed in the conflict is itself of small importance; when, on the other hand, the rivals are great and powerful the loss and destruction of wealth which follows their

clash is all the more considerable, and this, unfortunately, is not the only evil.

The greater the economic development, the greater the loss occasioned the national economy by the destruction of a given number of men; either because the cost of educating a man has increased and as a corollary, his economic value; or, because his co-efficient of procreation has diminished, thereby making it more difficult to replace the dead. While, considered in this manner, the destruction of men by war works to the disadvantage of the capitalistic class, it causes an even greater loss to the workers, whom it decimates.

To the increasing losses inflicted by war through its effects on the human element concerned with production, we must add the damages, likewise increasing, which are caused the inanimate element in industry. In fact, with the development of the latter the total mass of technical capital increases as does also that of machinery and also the number of edifices devoted to pleasure, etc., which every people has at its disposal; it follows, therefore, that the capital swallowed up, or destroyed, by war is so much the more considerable. This is proved by the experience of the recent war in the Transvaal, which caused such damage to the

gold mines of the country that it inflicted a loss on the English financiers equal to the entire profits they had hoped to obtain. Consequently, by the development of civilization and wealth certain methods of destruction, of resistance and of offensive become for the most part impossible. Thus, while at the beginning of the war with the Persians, the Athenians abandoned the country and the capital, Pericles had great difficulty at the opening of the Peloponnesian war in persuading them to leave their domain (41). This was due to the fact that when fixed capital has become considerable, men display great reluctance to abandoning their own territories to the enemy. In this connection it should be noted that the withdrawal of the Russians in 1812 was rendered possible by the fact that the amount of fixed capital in the country at that time was small; under present economic conditions in Russia, this mode of warfare could not be adopted. On the other hand, the greater the economic development the more wealth tends to assume a mobile form. Liquid property can develop only in a peaceful environment; it finds itself hampered and choked when war breaks out. Moreover, the greater the economic development the more extensive is international trade, and, consequently, the greater the probability

that a nation has need of other countries either as markets for its products, or as purveyors of the commodities it requires for its own consumption. Consequently, by cutting off trade either between the belligerents, or between them and neutrals, war may occasion great damage to the economic situation of all peoples (42).

In view of the great losses occasioned by war it is easy to understand why the nations, instead of resigning themselves to inactivity, are constantly exerting themselves to lessen the destruction of wealth and of lives caused by conflict. This is what they are endeavoring to accomplish by means of mutual agreements for limiting the work of destruction on the part of the belligerents, and for safeguarding persons and property in time of war.

As capital during the property regime is esteemed much more highly than human life, it is not surprising that international law seeks chiefly to lessen the destruction of capital by war before it gives any thought to the massacre of men by which it is attended. Conventions looking towards limiting the damages resulting from war to commerce and property are comparatively ancient. At a very early date it was agreed that in case of rupture of two states, foreign merchants should be allowed six months

in which to sell their merchandise or take it elsewhere. The 17th March, 1693, Sweden and Denmark protested against the clause in the treaty of Whitehall (22nd August, 1689), by which England and the United Provinces agreed to notify the states, which were not at war with France, that they would attack and seize as a prize any vessel bound for, or leaving, a port belonging to that country, and the protesting nations secured the annulment of the clause to which they objected (12). To protect their interpretation of the theory of contraband against the arbitrary action of belligerents, neutral states, at the end of the seventeenth century, adopted the plan of having their merchantmen escorted by war vessels whose officers, in case an enemy was encountered, were to give their word that the merchantman carried no contraband—this was the origin of the *convoy*. England, whose right of search and capture was limited by this mode of procedure, immediately contested its legality, but she finally yielded. In 1659 and 1713, the treaties of the Pyrenees and of Utrecht reduced the number of articles comprised under the term contraband of war, while the influence of England and France caused the acceptance of the doctrine that in time of war the flag covers the merchandise. This arrange-

ment guarantees the freedom of neutral trade with belligerents also, when the vessel carries no contraband of war.

In March, 1780, Catherine of Russia sent the other monarchs of Europe a declaration in which were laid down the principles of the neutrality of non-belligerent nations, which were accepted by all the powers, except England, who maintained her right of capture against neutral countries in order that she might indirectly strike a blow at France. All the other powers hostile to France did the same. The treaty of 17th June, 1801, between England and Russia re-established the principle of respect for neutral countries, denying, however, the doctrine that the flag covers the merchandise, thus allowing the confiscation of property belonging to the enemy even when carried by neutral vessels. The Treaty of Paris of 1856 prohibited the use of privateers, an agreement to which the United States became a party; in addition it established the principle that a neutral flag covers merchandise belonging to the enemy; that neutral merchandise, excepting contraband of war, is not subject to capture, even when in an enemy's vessel; and that it is not necessary to observe a blockade unless it is actually effective. The Italian Marine Code of 1865, Article 211, for-

bids its war vessels to capture and hold merchantmen of a hostile nation provided the enemy grants the same immunity (43).

However, in this field, also, the progress of civilization is discouragingly slow, encountering, as it does, innumerable obstacles, and suffering frequent relapses. In fact, while, in case of war, the seizure of private property on land is forbidden, it is permissible to pillage a beleaguered city, to requisition supplies, and to capture private property of every description on the seas. In justification of this singular difference in treatment it is maintained that the purpose of sea warfare is to destroy the commerce and the navy of the enemy and that this cannot be accomplished if private property is exempted from capture. The Treaty of 1856 permits its seizure by war vessels. On the other hand, England, the country that has always profited most by privateering, refused to agree to its suppression; privateering, even as late as the end of the eighteenth and the beginning of the nineteenth centuries, seemed to be regarded as a form of the right of capture held by belligerents. Its final abolition was due, not to international conventions, but to the development of great steamships, which rendered it impossible. At the first Hague Convention the United States advocated

the inviolability of private property of the enemy on the seas, but the suggestion was not even debated; while at the second Convention England rejected the proposal of Germany and the United States that captures at sea in time of war be forbidden. It should be noted further that commodities declared to be contraband of war constantly tend to increase in number; some states even go so far as to insist that provisions be regarded as such, because when imported by a belligerent nation they aid it in its struggle. Thus, in 1885, when France was at war with China, she declared rice to be contraband of war. It is established, moreover, that a belligerent ship shall not take on more coal in a neutral port than is necessary to enable her to reach the next port. The United States, having developed the imperialistic policy, has ceased to advocate, as it did in 1856 and 1899, the abolition of contraband; while England wants to do away with it—in order that her supply of provisions may not be cut off in time of war—but desires to preserve the right of blockade.

Undoubtedly great advances have been made in these lines, thanks to the establishment of the International Prize Court by the Second Hague Convention. Hitherto when two powers were at war and one of them captured a vessel, even

one belonging to a neutral nation, the owner of the captured vessel was obliged to present his claim to the court of the country making the capture, who applied its own laws to the case. But henceforth, instead of being compelled to have recourse to a court, whose impartiality would always be doubtful, there is to be an international court sitting at the Hague to which those interested may submit their claims. It is to be hoped that England also will subscribe to this convention; hitherto she has been extremely cautious regarding this important point.

At the same conference the powers agreed not to have recourse to force, in future, to compel the payment of debts due under contract unless the debtor state refuses offers to arbitrate.

In the meantime, under the pressure of commerce by navigable streams, the great waterways have been proclaimed neutral. The treaty of Münster of 1684, Article 86, and that of Vienna of 1738, Article 17, declared the navigation of the Rhine to be free to the subjects of the Empire and to those of the French Crown. The treaty of Paris of 30th May, 1814, sanctioned the freedom of international navigation of the Rhine, while the Congress of Vienna extended the principle to all the great rivers. Later the Danube, as far as the Iron Gate, the Congo, the

Niger, the Suez Canal—whose free navigation was guaranteed by the Conference of Paris of 1888, even in time of war—were neutralized. Belgium, Switzerland, Luxembourg have now been neutralized, and by means of these various expedients, the ruin left by war in its course is being reduced in extent\* (43).

These conventions intended to limit the loss of material wealth occasioned by war, were followed, but not until some time later, by other agreements whose purpose was the reduction of the loss in men suffered by the belligerents. To this class of institutions belong the conventions of Geneva of 1864 and 1906 for the protection of the wounded and of the sick in time of war, agreements which were broadened in 1899 to include naval warfare; the convention of Saint Petersburg prohibiting the use of explosive projectiles of less than a certain specified calibre; and the convention of Brussels of 1874, and of the Hague of 1899, limiting the use of weapons causing cruel and needlessly painful wounds. As early as 1859, the *Times* denounced the French to the world for using in the war with Italy certain bullets with a pyramidal hollow in

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\*In view of the devastation of Belgium the author would probably revise this statement.—Tr.

the base which caused them to spread out when a bone was hit, inflicting a terrible wound. The first conference at the Hague forbade (England, the United States and Portugal, however, refusing to subscribe) the use of bullets which expand, or contract, in the body of the wounded, or which give forth asphyxiating or deleterious gases, and also—for five years—the dropping of bombs from balloons. It should be noted that the projectiles of small calibre now in almost universal use inflict much less painful and dangerous wounds than the large bullets of former days. The smallness of the holes of entrance and of exit made by the projectiles almost always precludes infection, and, consequently, recovery is much more probable. During the Russo-Japanese war we even heard of *hygienic* bombs, which put the wounded out of the fight, but caused him neither suffering nor permanent injury.

Finally other agreements were entered into regarding the opening of hostilities, the laws and the customs of war on land, and the duties of neutral powers in time of war. At the second Hague Convention, Holland suggested that for the purpose of giving friendly states an opportunity to endeavor to effect a reconciliation and prevent bloodshed, belligerent nations be re-

quired to wait twenty-four hours after the declaration of war before beginning hostilities. This proposal was rejected by England, and it would certainly have been opposed by Russia, to whose interest it would be to begin hostilities immediately after a declaration of war, in order to prevent her enemy from having any time to lay up a store of provisions by importing them (44).

In this manner, international law, temporarily submerged in the sea of blood shed by the several belligerents, again arises to lessen the destruction occasioned by war.

The international law which is born again in this manner, however, differs materially from that which we have been examining. The earlier form was a law which presupposed a state of peace, or of international tranquillity, it was, therefore, a law essentially *normal* and *universal* in so far as it embraced the totality of international relations. On the other hand, the law, which now appears, merely seeks to lessen or prevent the disasters arising from a presupposed state of war; it therefore possesses a character at once *abnormal* and *partial* insomuch as it merely proposes to regulate a part of the international relations, and that part which is always

dominated by the illegitimate forces of violence and warfare.

It does not, however, express the whole truth when we say that these two forms of international law are different from each other, since they are diametrically opposed. In fact, it is perfectly clear that international law conceived as a whole would exclude this *partial* form, because, if the former could effectively assert itself, peace would reign, and, consequently, the second or *partial* form of this law could never arise. Inversely the evolution of a *partial* international law defers, or even renders impossible, the appearance of a fully comprehensive international law. We should not deceive ourselves on this score. The more we multiply agreements intended to mitigate the evils of war, the more we endeavor to prohibit the use of expanding or contracting bullets, that is, to impose a respect for property and persons in time of war, the more the horror of war will diminish, and, consequently, the more frequent it will become, and the more often will comprehensive international law be trodden under foot. Therefore, Fawcett was right in opposing all international conventions for protecting property in time of war, holding, as he did, that it is precisely the damage occasioned to property by wars, which

renders them more infrequent. More recently, Captain Mahan observed that it was proper to allow a belligerent to destroy an enemy's commerce because this procedure exhausts without killing. It certainly is unjust to deprive the non-combatant population of its means of subsistence, but it is a fact, nevertheless, that this renders wars all the more terrible and that, consequently, the efforts made to prevent them will become more and more energetic and much more likely to succeed.

## CHAPTER IV.

### ECONOMIC RELATIONS RESTORE THE INTERNATIONAL JURAL ORGANIZATION IN ITS ENTIRETY.

Wars, as we have just seen, being the inevitable effect of the decrease in the social revenue, clearly ought to become more and more infrequent with the increase in the productivity of labor, because this enhanced productivity itself postpones the moment when the decrease in the revenue becomes manifest. Germany furnishes us with a typical example. In fact, as early as the eleventh century, when the new trade routes were opened and the importation of the precious metals—owing to them—excited universal cupidity and an attendant economic awakening, war was relegated to the second place, giving way to administrative labors and industrial pursuits. But whenever the revenue is increased by improvements in the physiological methods of production, the less necessary it is to have recourse to pathological means for appropriating the revenues of others; consequently, the rarer war becomes. Every chimney that sends forth smoke represents an extinguished fuse. Now, the successive historical phases through which the economic complex has passed, exhibiting an increased productivity of labor, the periods of

diminishing revenue being progressively retarded thereby, there should also be a corresponding retardation in the periodicity of international wars.

It should be added that in each successive social phase, the association of labor, in exact proportion to its development, constitutes a foundation for economic and political aggregates ever becoming greater and greater. In the twelfth century, Italy comprised fifty states and the whole world thousands; at the present time, however, the states of the world number only sixty-five, including the Principality of Monaco. In Europe there are actually only eighteen states—only six of the first rank—and three great political groups (Great Britain, the Dual and the Triple Alliance). In Asia there are only China and Japan. In America there is only the United States. Omitting China, the world is reduced to a pentarchy (45). The division of humanity into a small number of large states is distinctly favorable to peace, because it enlarges more and more the zones in which the relations are pacific, at the same time confining war entirely to the territory which separates these great areas from each other. In other words, advance in the association of labor leads to the progressive aggregation of political and

economic units and thus prevents war among them, allowing it to take place only between the great groups. During the period of primitive isolation men were simply wolves preying on each other; then, with the first family aggregations, conflicts occurred only between families, subsequently between tribes, between cities, and finally between states; and now wars break out, not between the states of one continent, but between two continents.

There is no doubt that, owing to the growing infrequency of wars—and as a corollary—international law is less often trodden under foot, or, in other words, the periods in which it is rendered nugatory are exceptions. Economic relations, however, do not confine themselves merely to reducing the frequency of wars, they directly tend, moreover, to forestall and prevent them. We have already stated that the protective system is a first step towards war. The economic disasters to which this system inevitably leads end by discrediting it altogether and preparing the way for free trade among nations; free trade, by multiplying commercial relations among peoples and thereby increasing their economic and social solidarity, is an exceedingly powerful factor for peace. “The genuine Universal Peace Society is the Anti-Corn Law League” (46).

Economic relations, moreover, prevent wars in other and more direct ways; first: by increasing their cost; second: by diminishing their advantages; third: by increasing their destructiveness; and fourth: by modifying the economic and social situation in a manner favorable to peace.

First. Increase in the cost of war. Ferrara states that war is always the result of a utilitarian calculation; to which we may add: it is a commercial speculation to which a predetermined amount of capital is devoted, that is, certain expenses are borne in the hope of securing a gain, more or less considerable, but in every case doubtful. With the progress of economic evolution it is certain that the costs of war increase more and more, both because the value of the capital, destroyed by war, increases more and more and because the expense of armaments, of munitions and of revictualling, ever becomes greater and greater. As these expenses must be borne, at least in part, by the revenue, men are becoming more and more convinced of the absurdity of war, which, although undertaken for the purpose of enlarging the revenue, begins by reducing it in a constantly increasing degree.

There is another fact to be considered. Paine

long ago remarked that in proportion to the population, the armies of the ancients were more numerous than those of today, because now men are, for the most part, absorbed in business (47). Among primitive peoples, when all the men were warriors, and when owing to the narrowness of their domain, wars broke out suddenly, larger forces could be mobilized than are available among civilized and industrial peoples; it is not surprising, therefore, that the Romans could place 10 per cent of the national population on a war footing, while Prussia in 1870 was able to arm only  $3\frac{1}{2}$  per cent of her people. Further, the more highly organized are the industries, the more difficult and costly is recruiting. It is observed in England the difficulties in recruiting are constantly becoming greater and greater and the desertions more and more numerous. In France, desertions from the army numbered 6,054 in 1898 and 14,067 in 1907; in the French navy they tripled during the same period. Again, in England, where military service is not compulsory, the high wages that prevail have made it necessary to increase the soldier's pay two pence per day, while that of the marines has also been increased (48). Finally, economic development places a check upon population, causing a constantly en-

hanced decrease in the number of births annually; it, therefore, in this manner also tends to reduce the number of the forces which may be armed.

There are still other reasons why the costs of wars constantly tend to increase. Let us simply consider how enormous is the number of men sometimes called upon at the present day to bear arms. In 1890 the total military strength of the European states in time of peace was 4,000,000 men—in other words, 2.2 per cent of the entire population, or 4.6 per cent of the male workers; in Germany it was 5.4 per cent; in Austria, 4.3 per cent; in Italy 4.2 per cent; in England 4.2 per cent, and in Russia 3.9 per cent. In 1908 the number of men under arms in Germany, France, Italy, Russia, Austria, and Great Britain was 3,027,500 entailing a total annual expenditure of about \$750,000,-000 (49). Military service undoubtedly caused great losses even in ancient times when humanity was chiefly agricultural; long ago, Azarius, the chronicler of Milan, observed that during those years when the kings made war on each other, the people were forced to leave their work and were ruined, especially if this occurred at the time of the vintage and harvest (50). War, however, is infinitely more prejudicial

to industrial than it is to agricultural nations, because when the head of the family is called upon to bear arms, if he is a farmer, he may be replaced in the labor of production by other members of his family, which is impossible if he is an industrial. It should be added also that it is becoming more and more difficult and costly to prosecute a war by means of either taxes or loans, and that colonies, which have apparently become a necessity to all civilized states, are, in the last analysis, an incumbrance to warring nations.

It often happens that the high cost of war is greater than a nation can meet and that, consequently, it causes the suspension of hostilities, and in some cases prevents them altogether. As far back as 1338 the King of England was forced by lack of money to raise the siege of Tournay, and so incensed was he that when he returned to his country he had a number of his treasurers and other officials imprisoned and their property confiscated (51). In the eighteenth century, Ripperda, the Spanish minister who succeeded Alberoni, advocated a commercial war against England for the purpose of wresting her supremacy from her. With this end in view, he asked for a Spanish fleet to stop the contraband trade with the West Indies, to put

an end to the slave trade in which the English were engaged, and to prevent the South Sea Company from maintaining any warehouses on the Atlantic. To further his project he went to Vienna and by lavishly bribing princes and ministers, succeeded, in 1725, in concluding a Hispano-Austrian treaty of alliance, which was followed by a treaty of commerce, to which Russia also subscribed. England answered by allying herself with Prussia, Holland, Sweden and Denmark by means of the treaty of Hanover (1725). The vast expenditures, however, entailed by the building of fleets and the creation of armies, in pursuance of the Spanish policy, compelled Ripperda to make such demands upon the treasury that the greatest discontent was aroused throughout the country and he was forced to resign (52). Thus an international conflagration was prevented by the economic factor. At the present time, owing to the enormous cost of modern wars, this influence is felt much more strongly.

Second. Enhanced destructiveness of war. Not only do wars cost more than they formerly did, but, in addition, they inflict constantly increasing damages upon the economic conditions of the belligerents. War, for example, always causes a harmful loss in population, whence fol-

lows economic retrogression. The Thirty Years War had the same effect upon Germany that the plague of 1348 had upon England; by destroying a portion of the population it caused economic conditions to revert to obsolete and barbarous forms (53). The great losses inflicted on the maritime trade of France by war from 1793 to 1813 were reflected in the economic conditions of the country as late as the end of the First Empire; Rogers, and also Mahan, goes so far as to attribute the present superiority of England with regard to France, to the baleful effect of these wars on the maritime commerce of the latter. It should be added that England, protected by her insular position from war in her own territory, can always carry on her industries while other nations when engaged in fighting cannot do so. This fact also tends to render the situation of continental powers inferior in comparison with that of England. One of the chief causes of Britain's great prosperity during the past century consisted in the fact that Germany and the other nations of the continent were forced by war to abandon manufacturing industries and were compelled to purchase the manufactured products, which they required, of Great Britain. In the meantime Russia, owing to the constant wars

she was forced to wage with the Asiatic tribes, remained in a state of semi-barbarism, which prevented her from entering into close relations with Europe. So, too, the great development of the maritime trade of the United States, between 1789 and 1807, was due to her extremely favorable position as a neutral nation, which enabled her to transport British products in her own vessels without fear of capture by French cruisers. In 1807, when Napoleon decided no longer to recognize neutral nations, the United States lost this remunerative traffic, and her maritime trade suddenly became almost negligible.

It must be remembered that nations which are compelled to import a considerable portion of their provisions will be reduced to a state of famine by any war which interrupts their sea communications. Mr. I. K. Dodge, the American statistician, has calculated that if Italy depended solely upon the wheat raised in her own territory, she would fast thirty-six days in the year; France, thirty-seven; Germany, fifty-four, and England, one hundred and eighty-seven. This is the reason that the chief function of a fleet in time of war, at present, is to maintain maritime communications; to this fact is due the great increase in the number of fast cruisers, of

which England now has 290 of the second class, France 255, and Italy 50 (44).

Further—the more the public finances depend upon customs duties, the more fatal a war is to the budget, because, foreign trade destroyed, the fiscal receipts rapidly diminish. It is for this reason that the United States, at the time of their formation, were unwilling to base their economic structure on customs receipts (54).

Further—with the extension of international credit, which is a correlative of the economic development, every country finds its interests closely bound up with those of all the other nations to whom it sells its securities, or whose bonds it purchases. Under these conditions every country is likely to suffer through war, whether or not it takes part in it. In fact, a war may cause countries owning the bonds of belligerent states to get rid of them and thereby impair the credit of these states; inversely, belligerent states may, on account of war, be unable to pay the interest on their debts, and thereby cause a loss to creditor countries. There is still another feature—insurance has an essentially international character; for example, 33 per cent of the Italian insurance policies are in Austrian companies; finally, capital is constantly seeking investment abroad in industrial and agricultural

enterprises. Consequently, the economic solidarity among nations is gradually becoming so intimate that an injury inflicted upon one of them by war is felt by all; the harmful effects, therefore, are constantly becoming more general. During the national awakening in Italy, Napoleon III at one time gave up his plan to help Italy expel the Austrians, because the mere report of his intention caused a panic on the exchanges of Europe. Some years later France swallowed the resentment which she felt on account of the occupation of Egypt by England, because it occasioned a sharp rise in Egyptian securities, of which France held a large amount. In case of war between the United States and Japan, the Americans, who have a hundred million dollars in Japanese securities, would suffer an enormous loss (55).

The destruction of capital caused by war produces much discomfort in the middle classes and acute suffering among the poor. In England, the Norman conquest brought about the degradation of the *liberi tenentes* and today the baneful effects are more frequent and more general. The Napoleonic wars were followed by extreme poverty in England among the middle classes, who demanded relief of parliament, but in vain, because that body was and always has been

composed of the wealthy. Disappointed in their endeavors, the middle classes concluded that there must be some organic defect in the Constitution, and they began an agitation to secure a radical reform. In 1879, following the annexation of Cyprus, revolution broke out in Ireland; and Great Britain is still suffering from the effects of the war in South Africa. The income tax, which is always very high in England, being a shilling in the pound, is sufficient evidence of the disordered condition of her finances, which is revealed still more clearly by the fall in her securities which persists in spite of numerous redemptions by the treasury, and it is with a view to providing against this decline that many financiers go so far as to suggest a refunding of the debt at the former rate of 3 per cent—an increase in interest. The War of 1870 cost Germany 3,000,000,000 dollars above the amount offset by the indemnity. The German budget of 1903-1906 was charged with 125,000,000 dollars on account of the revolts in West Africa and the campaign in East Africa. Finally, the disasters of war ever tend to fall more and more heavily upon the laboring classes, for when its costs are covered by indirect taxes, there is an increase in the expenses of living which is felt most keenly by the workers; while if they are

covered by direct taxes, there is a decrease in productive accumulation and a lessened demand for labor. The increasing destructiveness of war is a potent agent for its prevention.

Third. Decrease in the profits of war. Not only do modern wars occasion much greater expenses and losses than did those of former days, but at the same time the profits which states may expect to derive from them are becoming smaller and smaller and more uncertain. The increase in the necessary expenses of war renders the gains doubtful, because it raises the rate of gross returns which it must secure if there is to be any net profit, since it is evident that any enterprise whose expenses are represented by 10 will be unprofitable unless its income amounts to  $10 + d$ , while if the cost is 100, there will be no profit unless the income amounts to  $100 + d$ . There is, therefore, a series of possible gross receipts between 10 and 100 which would give a profit if the cost is 10, but would cease to yield any return if the costs of the undertaking were 100; therefore, the chance of any profit accruing is much less when the costs of the undertaking are high. Moreover, owing to the great expenses occasioned by war, the victor, on the conclusion of peace, finds himself in a condition of economic and financial exhaustion, which often makes it

impossible for him to impose very burdensome terms on the vanquished; this was shown recently on the termination of the war between Japan and Russia.

Further—the more concentrated is social wealth, the more likely it is that the profits derived from war will be absorbed by a small number of persons, and that the proportion falling to the lot of the great majority of the population will be slight. While it is conceivable that formerly, during the period of absolute governments, there were wars whose entire profits went to swell the exchequer of the prince, and whose entire costs fell upon the people, who enjoyed no political power, it is now highly improbable that the workers and the small taxable proprietors, who have some part in the government, would, as a whole, engage in a war which, inflicting a loss upon themselves, would greatly benefit the large capitalists.

Thus while on the one hand the costs of war increase, on the other the advantages that accrue from it to the directing classes diminish; and the advantages, whatever they were, which wars formerly procured for the laboring classes, have either diminished greatly or ceased altogether. When wages were low wars procured for the workers a more or less ephemeral economic ad-

vantage, since, by incorporating a considerable portion of the laboring men in the army and then destroying them, the amount of labor seeking employment was diminished and wages consequently rose. This helps us to understand why French workmen were so enthusiastic in their support of the First Empire, which, thanks to its incessant wars, actually did procure an increase in wages; in the same fact we discover why England's wars against Napoleon, by reducing the supply of labor, raised wages, which, in 1815, reached a new and comparatively high level. When wages, however, are relatively high, normally, this advantage does not accrue, since the injury caused the workingman's family by the enlistment, or the death, of its head persists and becomes more acute.

Fourth. Other pacificatory influences. There are other forces of a strictly economic character which render nations more and more capable and desirous of preventing wars. For example, public credit furnishes them with a means for increasing their military forces, and thereby preserving them from attack by other states. It is a well-known fact that, had the Bank of England not been established, Great Britain would not have been able to contract her first public loan and that she would, consequently, have

been conquered by France and forced to restore James II (56). Economic relations, moreover, render nations less disposed to provoke other states to war. Long ago Kant remarked that commerce tends to end war because it can flourish only in the midst of peace. This, however, is not always true; commerce, as we have seen, on the contrary, is frequently the cause of war. Nevertheless, it is true that the mercantile nations are the less belligerent ones. Paine remarked: "Commerce diminishes the spirit both of patriotism and military defense. \* \* \* The city of London, notwithstanding its numbers, submits to continued insults with the patience of a coward. The rich are in general slaves to fear and submit to courtly power with the trembling duplicity of a spaniel" (47). The defeats suffered by the British in South Africa were due to the fact that the Boers, their rivals, were an agricultural people and consequently more warlike (57). The increase in manufacturing profits at the expense of rent contributes, in a manner no less efficacious, to rendering wars less frequent, because fixed incomes, relieving their beneficiaries of all business cares, impel them to war; revenue derived from manufacturing, on the other hand, requiring the close attention of those who enjoy it, leaves

them but little time to embark on warlike enterprises.

Still other phenomena contribute to the same results. First—urbanism, the increasing accumulation of people in cities—which reduces the number of men able to bear arms. For example, it is calculated that in Germany the rural population furnishes 6.8-9 per cent of the soldiers, while its percentage in the total population is much less. This is due to the fact that the lower birth rate and the greater mortality among the population of the cities causes a decrease in the proportion of individuals of military age; second, the progressive lessening of muscular activity in manufacturing work which causes the greater portion of the population to give up athletic habits and to cease from apotheosizing physical strength; third, neo-malthusianism also exerts a pacificatory influence by decreasing the incentive for war, which is always caused by an excess in population, especially of the youthful or more bellicose portion of the nation.

In still another way economic relations contribute to the maintenance of peace among nations, and that is by their effect upon the political conditions of states. Above all else, however, economic relations are the most powerful factor in the formation of nations, that is, in the con-

stitution of political aggregates on the basis of nationality. In fact, the establishment of German unity was due to economic conditions, just as were the unification and liberation of Italy; while the Monroe doctrine, which maintains the independence of the Western Hemisphere with respect to Europe, is simply the result of the economic maturity attained by the new countries which rendered them absolutely intolerant of any dependence upon the countries of the old world. By precluding the forcible bringing together of peoples of different nationalities, the formation of states on the basis of nationality does away with a constant source of rebellion and warfare. This, however, is not all. Kant remarked that a *sine qua non* condition for the abolition of war between nations was that they should become republics, by which term he properly understood an executive power limited and controlled by a national representative body possessing the legislative function. In other words, by the term republic Kant meant a representative government. The development of economic relations, therefore, by causing the universal diffusion of political forms based on representation, contributes strongly to the maintenance of peace. Parliamentary bodies display the greatest eagerness for peace, regardless of

the occasion. Thus, from 1815 to 1848, the French parliament, composed of capitalists and elected by capital, always advocated peace at any price, and compelled Louis Philippe to observe their wishes. When the German government, in 1893, demanded an increase in the allowance for military purposes it encountered considerable opposition and the deputies who favored the measure represented a minority of the electors—3,225,000 against 4,233,000. A further proof, although a very indirect one, of the principle enunciated by Kant is found by comparing the names given by the different nations to their warships. While the vessels belonging to monarchies are named after sovereigns, princes and legendary warriors—for example, the Nibelungen in Germany; or historical characters: V. Pisani, Ferruccio, Garibaldi, in Italy; or after violent actions: Repulse, Vengeance, Revenge, Implacable, Vindictive in England; those preferred by republics are the names of regions—for example, those of the several states of the United States; or those of the great ideas of equality, or of peace: Patrie, Liberté, Démocratie, Justice, Verité, or again, those of the immortal defenders of these ideas: Danton, Diderot, Condorcet, Vergniaud, Voltaire,

Mirabeau, V. Hugo, Michelet, Renan, Edgar Quinet.

Finally, while the controlling class, for the reasons given, intervenes in the interest of peace, the working classes also intervene in its favor, although in a different manner. The workers have no interest in war, because they do not participate in the booty. It is true that M. André Colliez, while rightly maintaining that "it is the antagonism of economic interests which is now the principal cause of war," hastens to add that they are intended not only to enrich the capitalists, but also the workers. In fact, he adds, when war is undertaken to secure additional markets for the products of the national industries, it is for the purpose of furthering not only the interests of the capitalists but also those of the laboring classes, who would be without work if there were no outlets for the wares they produce (58). However, I may be permitted to remark that it is unnecessary to exterminate the inhabitants of a country in order to open up new markets for our wares; it would be sufficient to establish commercial relations, which may be done by peaceful means. The truth is that wars are not undertaken for the purpose of opening up new markets for the national industries, but to obtain advantages for the national capitalist

at the expense of the foreign; these undertakings, therefore, are profitable to the capitalists, but not at all to the working class. In Germany, for example, the War of 1870 enriched the capitalists, but did not affect wages, which did not begin to rise until 1875-1877, and then owing to reasons entirely foreign to the war. On the other hand, as we have already seen, wars cause the working classes very great injury. Consequently the more intelligent laborers are decidedly opposed to them. So long as workingmen were separated and powerless their aversion from war had no influence on the policy of states; but this condition of affairs suffered a sudden change on the appearance of that essentially modern phenomenon, the labor movement.

There is no doubt, however, that this movement itself may cause war.\* Thus, American and Australian workmen demand a law excluding Japanese laborers from their respective countries; and the state of California has just enacted legislation with this end in view; now, if the United States should promulgate a law for this purpose, a war with Japan probably would result, and if it did, the labor movement would be directly responsible for it. Further—

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\*Regarding the efforts directed toward the exclusion of foreign laborers see Prato's excellent work: *Le Protectionnisme Ouvrier*, Paris 1892.

since unrestricted immigration brings workmen of totally different nationalities together in the same industry, dissension and hatred are frequently aroused. Thus, in France for a long time the native workmen were extremely hostile to the Italians and maltreated them most shamefully—the Aigues-Mortes case, for example. Phenomena of this description certainly are highly unfavorable to international peace.

However, these dissensions cannot be otherwise than dangerous, since they arise from an imperfect idea of the interest of the individual or of that of the class, that is, from the adoption of brutal methods for the defense of perfectly legitimate interests. These conflicts between workmen of different nationalities are merely examples of the more general phenomenon of the conflict between the higher and the lower paid workmen, a condition of affairs which belonged to the more barbarous periods of the labor movement and which tends to disappear as it progresses. The conflict between laborers who receive different rates of pay is merely due to the incompleteness of the labor movement, which has not yet succeeded in bringing all classes of workingmen under its banner; it follows that a portion of the workers, the undisciplined or *ex-lege* part, offers its labor at a lower price, there-

by causing disastrous competition with the federated workmen. However, with the extension and generalization of the labor movement, these undisciplined portions of the army of laborers gradually join the ranks of the regulars and submit to the collective rules which govern the terms under which labor is offered. Consequently conflict will cease to be possible between workers of various classes or of diverse nationalities. Struggles between laborers of different nationalities, therefore, belong to that relatively arrested phase, when the labor movement was confined within a strictly national sphere; the internationalization of the labor movement, however, will make it impossible for the workmen of one nation to compete unfavorably with those of another and it will, therefore, preclude any struggle between them; moreover, among them will arise a solidarity which will constitute the strongest guarantee for international peace.

Labor organizations are already beginning to display an international activity. Following the International Convention of Workingmen, which held its first meeting in London, 28th September, 1864, numerous international federations of workmen were formed—for example: that of the glove makers (1871), tobacco workers (1871), earthenware workers (1873), glass blowers

(1886), typographers (1889), wood workers (1891), miners (1899), weavers, and railway employees (1890), iron workers (1904), hatters, furriers, brewery workers, lithographers, workers in skins, in stone, in porcelain, masons, bookbinders, hair-dressers and household servants. Since 1901 there has existed an international association of Trades Unions—a syndicate of syndicates. It held a convention at Stuttgart in 1902, at which fifteen different countries and five million workmen were represented (59). Regardless of other evidence, these associations reveal the spirit of solidarity which animates them by sending substantial assistance to workers of other trades and of other nationalities when on strike; there was a notable example of this in 1908, when the striking typographers of Turin were enabled to hold out owing to the hundreds of thousands of francs which were sent them from abroad by their fellow workers. Is it conceivable that workmen who have received large amounts of money from their foreign colleagues will afterwards be disposed to shoot them down in battle? Workingmen's organizations in recent years have strongly protested against every form of militarism and war. Thus the Congress of Socialists, held in Stuttgart in 1907, solemnly proclaimed that it was the duty of the

laboring classes of every country to work unceasingly for international arbitration (60).

The ever increasing cost of war, the growing uncertainty of its profits, the disappearance of the characteristics necessary for conducting it, the enhancing hostility towards it—such are the causes which render war less and less able to accomplish its purpose, that is, to retard the decline in the revenue. Consequently the *furor bellicus* will gradually die out and give place to a feeling of utmost repugnance for war. According to Spencer, this will mark the passage of humanity from the military phase of society to the industrial. Still earlier, an Italian wrote: "Manufacturing and commercial peoples are reluctant to engage in war and, when they have any part in the government, they refuse to risk their peace and impair their fortunes for the sake of robbing others of their rights or to embark on warlike enterprises. Economic progress tends to make peace the rule and war the rare and ephemeral exception, in contrast with the benighted ages when warfare was the normal condition of nations, and peace merely a brief respite" (61).

In this connection we must note the difference in the domain of law between Grotius, the author of the "De Jure Belli et Pacis" and

Heffter, who wrote "Le Droit de la Paix et de la Guerre," the latter maintaining that peace was the rule, while the former claimed that war was the normal condition of humanity; in literature Sir Walter Scott exalts courage and considers the race first, while Dickens extols humility, and places the individual first—thus they are reflections of the military and of the industrial phases respectively.

The increasing aversion from warfare which manifests itself in this manner as due to its diminishing efficacy as a means for retarding the fall of the revenue, engenders a series of measures looking toward the prevention of war and its attendant disasters. Here we discover under the pressure of economic development, the origin of those numerous institutions and projects intended to abolish war between nations.

The methods employed to settle international differences peaceably, and prevent wars, assume various forms in the successive historical phases, that is, accordingly as society is founded on slavery, on serfdom, or on wages. In the slave stage of society it is community of race that unites different peoples and which consequently precludes all chance of war among them—as, for example—the Amphictyonic League. Or in some cases a preponderant people may impose

itself on its neighbors and arrogate to itself the right to adjust their differences—for example—the Italic League which required that the federated states refrain from settling their differences by an appeal to arms and, instead, have recourse to arbitration by the sovereign city of Rome (62). This league was due largely to the unfavorable condition to which the various Italian states were reduced, and which rendered them incapable of, or cautious about, engaging in fratricidal wars. It is true the influence of these institutions is very limited for, while they insure peace among the members of the federation, instead of preventing conflicts between them and those outside the union, they are apt to cause them. In servile or feudal society it was, on the contrary, the religious authority of the Sovereign Pontiff which united the different states, constituting, as it did, a sort of moral tribunal to which they entrusted the task of settling their differences. This, however, was a bond entirely spiritual in its nature, one which was, in fact, seldom used and which rarely accomplished its end. The Holy Roman Empire—which ought to have served as a central authority for securing the unification of Europe, possessed an influence which was at best Platonic. Finally, with the appearance of the

wage system of society, when the Supreme Pontiff had ceased to be the moral support of all the peoples of the earth, and when there was no longer any temporal power to serve as a connecting link between all the states of Europe, efforts to assure a permanent peace began to be made by establishing a balance of power among the great states (45).

We have already remarked that the development in the association of labor, which tends to replace the numerous small states with a few great nations, is itself a factor making for peace, since—it is clear—that the smaller the number of co-existing states, the fewer will be the occasions and the chances of war. Consequently the evolution of the city-state into the small state, the medium sized state, the great power, and these into the federation of states, ought to render the occasions for war less frequent. Again, with the appearance of the wage system, the possibility of war is further greatly reduced, since it tends to establish the balance of power among the several states or among the co-existing alliances. The theory of the Italian philosopher, Ardigò, that moral conduct, which is respect for the rights of others, can only emerge when there is a balance between the antagonistic forces, which automatically renders every at-

tempt to infringe on others wholly unreasonable, because it is necessarily powerless, finds here a striking application. In fact when the world's stage is occupied by a few great and equally powerful political entities, it is impossible for any one of them to oppress any of the others; consequently none is disposed to enter upon any aggressive action against its rivals. The various states hold each other in check, rendering it impossible for an armed conflict ever to occur between any two of these powers. This is the idea which inspires the system of equilibrium among the European nations which, by the entrance of the new world into international politics, becomes a universal equilibrium which tends to assure peace by means of the establishment of states of equal power. This system has frequently proved itself to be highly efficacious. "The equalization of the powers of the great states has been exceedingly fortunate for humanity. It constitutes the unshakable foundation upon which the edifice of federation must arise" (63).

However, these various methods, no matter how efficacious we would like to believe them, are restricted and exclusive in character, by reason of the fact that their influence is confined to those states which have entered into mutual

agreements. Moreover they are always exposed to the danger of failure through a new alignment of states. Consequently, with the progress of the wage system of economy, the relations and the eventual differences between the most diverse and the most widely separated states, becoming more and more varied and complex, institutions are demanded for the prevention of war among isolated nations and independently of any disparity in their strength; this is the function of arbitral institutions, which—it cannot be denied—are less effectual than the methods just enumerated, since they possess neither a material nor a moral sanction, but they are superior *extensively* because they are well-nigh universal, that is, they are available to all nations.

Thus the slave economy creates political nuclei formed of peoples of the same race, or held together by the hegemony of a single people, and in this manner engenders a peace organization—one, however, which does not preclude conflict between them and those states which are without the federation. Serf economy created several states bound together by religious or imperial ties which are their sole, and, at best, very uncertain guarantees of peace. The wage economy, in its first phase, created a small

number of large states, among whom it sought to establish a balance of power and thereby assure peace; and finally, having attained greater maturity, it created an international economy and with it imposed the necessity of preventing wars by means of the more highly developed and more decisive methods which are offered by arbitral institutions.

As early as 14th March, 1790, the National Assembly of France decreed the abolition of war, while 23rd April, 1795, the Abbé Grégoire presented to the Convention a Declaration of the Rights of Peoples which laid down the principle of a legal co-existence of nations. This document maintained that if all peoples were free there would be no more wars. Of course at that time this was a wholly Platonic declaration, but the idea has developed and become universal. Article 5 of the Treaty of 20th November, 1815, requires that the contracting states meet in convention for the purpose of assuring the peace of Europe. In 1819 Metternich suggested that some city be selected as capital of the Holy Alliance where plenipotentiaries might permanently sit for the interchange of ideas regarding the common interests of states. In fact several meetings of sovereigns and diplomatists have taken place: at

Aix-la-Chapelle in 1818, at Troppau in 1820, at Laibach in 1821, and at Verona in 1822. And, further, the decisions reached were not left wholly without sanction since force was used with respect to Spain and Naples. When the Congress of Troppau decided to put down the revolution in Naples, Austria offered her troops for the purpose, and France did the same to carry out the decision of the Congress of Verona regarding the Spanish revolution. At the Conference of Paris in 1856 it was voted that if war broke out between two states the other powers should be obliged to tender their friendly offices to restore peace. In 1863 Napoleon III suggested that a congress be called to settle certain matters which were causing Europe unrest. A general treaty of arbitration was signed 28th April, 1890, by ten of the American republics, and other republics of the western hemisphere hastened to join the movement. From 1815 until the present time there have been more than one hundred and twenty cases—many of them important ones—which have been settled by arbitration, such for example as the Alabama claims.

These attempts, however, are merely preparatory; they are simply the forerunners of a more modern and more energetic movement which is

taking place with hitherto unknown intensity, under the pressure of economic relations. In fact the more the cost of armaments increases, the more perceptible and insistent becomes the *negative action* of war, which causes a decrease in revenue; consequently nothing is more natural than the increasing inability of the revenue, itself now declining, to support a system, which renders a further and progressive decline inevitable. This disastrous effect will be especially felt by the poorer and less prosperous states. Thus—it was not owing to mere accident that the principles of a *pacific* international law were born in 1628 of the Queen of the Seas, Holland, whose decline was imminent; so too it was not by chance that the principles of international law directed against war were proclaimed in 1898 under the initiative of Russia; it was because at that time she had reached a degree of impoverishment which rendered armaments and wars absolutely disastrous for her. Any one who took the trouble to examine the budgets of the different states for this period, at the Crédit Lyonnais of Paris, where they are carefully recorded, grouped and compared, would find that Russia's budget showed with absolute certainty that she would be utterly defeated in any war she undertook. The ex-

perience of the Russo-Japanese war amply proves the correctness of this deduction. It will, therefore, be readily seen that those economic conditions, which demand the prevention of war, by whatever means are possible, presented themselves at that time in Russia in a peculiarly striking manner; consequently in them we discover the origin and the cause of her initiative in 1898 with regard to the Peace Conference.

The first Peace Conference, which assembled at the Hague in June, 1899, was probably due to the fear, which several of the nations felt, of being surpassed in armaments by some of the others, or by the desire to paralyze the efforts of their rivals in the military field. These material considerations, however, do not detract from the high social significance of this historic conference as an indication of the absolute economic necessity of placing a limit on the military policy of contemporary nations.

The first Conference at the Hague, however, did not endeavor to formulate a plan for bringing about a permanent peace; it merely sought to prevent a further expansion in armaments. The proposition not to increase armaments for a period of five years, however, met with violent opposition on the part of Germany, who succeeded in causing it to be dropped. The pro-

ject for obligatory arbitration, even for differences of a special character, likewise was rejected and nothing was suggested looking towards the prevention of international wars by means of any sort of jural organization. However it would be unfair to say that the convention accomplished nothing towards the establishment of this preventive institution. The signatory powers at this conference did, in fact, agree in case of any difference, to have recourse to the mediation of friendly nations. Parties at difference on special questions were advised to appoint international commissions of investigation. It was also decided to establish a permanent court of arbitration to which the nations might have recourse. It is true that there is nothing permanent about such a court except its name; moreover the nations agreed to submit only differences of a secondary order to it; it would be a mistake to suppose that they could have recourse to such a court to settle questions affecting the integrity or independence of the state; it is, however, none the less true that a great many armed conflicts might be prevented by the means suggested at this conference. Recent treaties between England and France, and between France and Italy, contain clauses providing for arbitration in a large num-

ber of cases. A treaty of arbitration between Italy and the Argentine Republic has been signed, as has also one between England and the United States, although this has been rejected by the Senate.\*

At the second Hague Convention, held in 1907, the proposition to reduce armaments was again presented by England and for the obvious reason that, having a very powerful navy, she did not want the other nations to surpass her. Moreover, scarcely had this suggestion been rejected—by a large majority of the nations represented at the conference—when she proceeded to arm herself with feverish energy. However, it would be equally incorrect to say that this second conference succeeded in accomplishing nothing for the insurance of peace, since the signatory powers agreed not to have recourse to force to recover debts due, unless the debtor state refused to arbitrate the question. The establishment of a permanent court of international arbitration to sit at the Hague was approved. Regarding the question of obligatory

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\*The Arbitration Treaty between the United States and Great Britain, signed 3rd August, 1911, has been ratified with Amendments by the United States Senate, but has not been ratified and promulgated by the President. [23rd February, 1916.]—Tr.

arbitration, proposed by the Italian delegation, it was voted to postpone all action; the proposition to establish another tribunal, and one actually permanent, besides the Permanent Court of Arbitration, met with a similar fate.

Although this nascent institution thus far has accomplished but little, it cannot be denied a high *symptomatic* value, since it is an indication of the new phase upon which the international jural organization has entered. In fact it shows us that, in world politics, the violent methods of war are becoming more and more harmful by reason of the progress of economic evolution, and that, owing to this fact, it is gradually dying out and giving place to arbitral institutions.

The form of international law which we now see developing presents characteristics substantially different from, in fact diametrically opposite to, those which we examined in the preceding chapter. In fine—the law which sought to prevent the damages inflicted by war presupposed a state of war, that is to say, the suppression or, at least, the suspension of the normal law. Its function therefore could only be an auxiliary one—in other words, it was an incomplete jural form. On the other hand that form of international law, which seeks to pre-

vent war, springs from conditions of peace, and, for this very reason it possesses a character at once normal, comprehensive and universal.

## CHAPTER V. LATER TENDENCIES.

If the evolution which has taken place in economic relations up to the present time and that in the international jural relations which spring from them, enable us to predict, in a measure, what their future development will be, it is not difficult to see that with further advance in economic conditions wars will become more and more infrequent and will finally cease altogether.

Of course there are writers who do not subscribe to this opinion. In the first place there are the bellicose philosophers and sociologists who do not hesitate to affirm that war will always be necessary, because they consider it to be endowed with a function favorable to human progress. Thus Heraclitus conceived war to be the mother of all things, not to be banished from among gods and men; since the living unity creative of contradictions is not arbitrary, war is likewise the most perfect harmony (!) which holds all things together. "War," says Hegel, "is a benefit since perpetual peace leads to lethargy." Proudhon, who devoted his life to supporting the most contradictory theses also wrote an apology for war in

which he discovered the supreme sanction for the theory that might makes right, which simply assures the more powerful that which they deserve; he merely adds that war, right in itself, is economically immoral because it is the result of pauperism and general distress. Consequently to put an end to war this universal distress must be banished, or in other words economic equilibrium must be restored (27).

It is scarcely necessary to note that we have here one of those networks of paradox and nonsense, in which this bizarre revolutionist delighted. To affirm that this disease, that is, economic disorder, is the cause of the degeneration of the modalities of war, is merely equivalent to saying that, this disorder once removed, this degeneration will cease but not, however, that it will put an end to wars. Moreover if war is so sacred and commendable, the restoration of the economic equilibrium is to be deprecated, since it would abolish war. In advocating, on the contrary, a condition of economic equilibrium, which would preclude war, Proudhon effectively disavows all his former apologies for it and proves that he was indulging in "cant," as the English say, pure and simple—in other words he was supporting for the sake of effect a thesis contrary to his convictions.

Even more temperate writers have, however, not hesitated to enter the lists in defence of war; Dilthey maintains that the most powerful forces of the moral world are hunger, love and war. Simmel regards it as necessary; it is a powerful factor for progress, the great agent of social synthesis and of cohesion among elements which show an inclination to break away from a single aggregate (64). Finally, more recently, Steinmetz offers an apology for war which he claims will never cease and which he regards as eternally necessary for the human species; according to him it is the creator of family and political groups, of solidarity, and of technique; it is the admirable factor of all progress; it is the basis of morality and of elevation of character (65). To refute these theories we have before us the entire history of humanity which shows us that wars have become more and more rare, and that throughout the long period of peace which the world is now enjoying there have been none of those disasters or calamities, spiritual and material, which the apostles of war prophesied with so much assurance; but on the contrary humanity has prospered and advanced as it never did before. There is no doubt that mankind has been much better off, materially

and spiritually, since it banished, or reduced to modest proportions, that which Seneca calls the "glorious pleasure," that is war. Other writers claim that war is necessary to remedy the plethora which occurs periodically in the economy of nations, just as bleeding was once considered necessary to reduce an excess of vigor in the human organism. This analogy, however, is imbued with the errors inherent in the art of medicine in bygone days, and which have been corrected by modern physicians; at the present time the school of Doctor Sangrado has no disciples; it is now recognized that many of the phenomena which were formerly attributed to a plethoric condition are, on the contrary, due to anæmia which requires a tonic regime. Plethoric conditions should always be treated by building up the organism and not by bleeding. It is the same with economic relations. Above all it is absurd to talk of economic plethora in connection with contemporaneous society of which a large part is languishing in abject misery. Examined more closely, what we call economic plethora is in reality a plethora of the capitalistic class in whose hands wealth is being concentrated to an excessive and ever increasing extent. It is certainly to this capitalistic plethora that are due the vast accumu-

lations of capital, the decline in the rate of profit and the tendency to engage in hazardous speculations, all of which are extremely powerful factors in bringing about war. However, to correct this plethora war is not needed; it would simply be necessary to adopt a series of measures for securing a more even distribution of wealth, and to withdraw from the excessive fortunes of the rich certain portions for the benefit of the most needy. Moreover that which constitutes the chief incentive to war is the decline in revenue which, although it may be found associated with a progressive concentration of wealth in the hands of the few, is always an indication of want and disease, and never of plethora.

The chorus of war's apologists is further swelled by certain economists, not with the pontifical airs of the supermen of philosophy, but with cold-blooded calculations of balances, and exact deductions. As early as 1854 Roscher observed that a just and successful war, one not too prolonged, possessed great *dietetic* value, as an antidote against the division of labor, because it forced a considerable number of men to acquire self-reliance and cease leaning on others (66). The same author even went so far as to announce with imperturbable assurance a

so-called law of history according to which every generation was forced to pass through two successive phases, one of peace and one of war; thus it was, he added, that we had peace in 1717-1720, 1763-1793, 1815-1835, and war during the intervening periods (66). Contemporary history, however, refutes this factitious law; for from 1871 until the present time, a period longer than a generation, we have had peace. More recently Robinson maintained that war is a necessary result of the progressive decrease in the productivity of new lands, which is a fundamental and persistent phenomenon of production. In fact, as soon as a certain point is reached in the decrease in fertility of the new lands under cultivation an agricultural country can no longer produce within its own boundaries the food necessary for its support; consequently it must either make war to secure new territory, or become a manufacturing country. In the second case, however, a bitter rivalry ensues between the exporting nations, which in its turn leads to war. Consequently in both cases war is inevitable, and it is chimerical to believe that it will ever disappear (23).

However, this view to me, likewise, seems one-sided. Although, considerable influence must be attributed to the law of diminishing productiv-

ity of the soil, we cannot say, that this phenomenon is the sole and necessary cause of war. On the contrary we have already had occasion to observe that war is the effect of a cause much more general, namely: the decline in the revenue; it may, of course, be the result of the decreasing productivity, but it may also manifest itself, independently of the latter, as due to the effect of the coercion inherent in the association of labor. Now, if the forced association of labor were to cease and be replaced by the free association, it would, evidently destroy the principal cause limiting production and the amount of social revenue. Further—the very acceleration which the free association of labor imparts to production might even go so far as to retard, or entirely stop, the decrease in the productivity of the land; and this would preclude the hitherto inevitable recurrence of wars.

Fanno (2) likewise regards wars as unavoidable, but owing to an entirely different reason. According to this author, the increase in population tends to equalize the conditions of the tenure and of the productivity of lands in the different countries and by reason of this to lessen the differences which prevail in the prices of commodities in them, and finally to eliminate these differences altogether. It therefore follows

that the field of international commerce will become more and more restricted until a point is finally reached when each country will import only those commodities which it is itself unable to produce. Thus international economy will ultimately disappear to give place to the old national economy, with its selfish ends and its ruinous jealousies, and conflicts and wars will again follow. On the other hand when the prices of commodities in the various countries have become equalized there will no longer exist that superiority in the conditions of productivity which gave the older nations economic and political dominion over the newer countries; consequently there will be no economic basis for the great colonial empires which will, therefore, begin to disintegrate. Simultaneously with the decline of the older countries, now falling into decadence, the prosperity of the new and hitherto subject countries will increase until a conflict occurs between them; a conflict which can be settled only by an appeal to arms. Thus in every historical cycle, when the territorial extension and the colonial power of the different countries cease to correspond with their respective economic powers, a vast, universal conflagration becomes inevitable; and this will be the state of affairs until the population of the globe, which

is rapidly increasing, reaches a common level in the various countries, when a state of stable equilibrium will have been reached which will render definitive and unchangeable the political divisions of the world, which will correspond with a similar geographical distribution of the population.

Regarding this theory, which certainly is very reassuring and suggestive, much may be said. First of all, Fanno's opinion, which is supported by Barth (67), Kropotkin (68) and others, to wit: that the economic evolution of international trade tends to cease, appears to me to be, at least, questionable. While we must admit that the economic development of new countries tends to destroy the colonial bond which unites them with the old, this does not in itself imply the cessation of commerce between them; on the contrary history teaches us that commerce between the old countries and the new develops faster than ever after the colonial bond has been severed. If it be true that the increase in population in new countries would end by making it impossible for them to export wheat, thereby compelling the older countries to produce their own food, it would, at most, cause the disappearance of that particular branch of international trade which consists in the exchange of

raw materials for manufactured products. This, however, does not constitute the entire commerce even between the old and the new countries; besides these there are always enormous quantities of products, upon whose prices increase in population has no effect; consequently commerce between nations is likewise unaffected by this gain in population. Still more—the constant advance in technique, causing, as it does, extreme diversity in manufacturing processes, ought further to increase and accentuate the differences between the prices of products manufactured in the various countries, and thus enlarge the field of international commerce. Therefore, far from having a disastrous effect on the national economy there would be an increasing internationalization in economic relations whose influence would likewise tend to maintain prices. This, moreover, would be further supported by a series of other economic factors, much more powerful and much more intense than commercial relations.

Fanno's apprehension that the fall of the great colonial empires would necessarily give rise to international conflagrations which would result in a new political division of the world, on the basis of new empires and new annexations, leading in turn to further conflicts, seems

to me to be a mere flight of fancy. Even if we admit for the present that the great colonial empires are destined to disintegrate and give rise to international wars; these wars certainly would lead, not to the formation of new colonial empires; but, on the contrary to the political independence of the existing colonies, that is to say they would contribute to the triumph in the new regions of the principle of political independence based on nationality, which, as we have already seen, is a strong guarantee for peace. Moreover, it should be observed that material for colonial expansion is by no means inexhaustible, but that, sooner or later, its limits will be reached, since the time will come when there will be no more new lands to be appropriated by the older countries. A moment, therefore, will arrive when the old colonial empires will disintegrate without giving birth to new ones; and finally the colonial bond, which is a constant source of trouble and international war, will be broken.

According to other writers it is commercial relations themselves which will become the cause of wars. For example, Marshall, the English economist, believes that the day will come when only a few countries will produce raw materials in excess of the quantities they use in their do-

mestic industries, and that, consequently, they will sell their surplus only on the most exacting terms, thus compelling those manufacturing countries which need them to pay heavily. He adds that there is, in this very fact, a latent cause of international war (69). This, however, is only possible on condition that the states producing the raw materials enter into an agreement for the express purpose of exploiting the purchasers. Now, in spite of the greatest economic and political concentration there will always be such a large number of states exporting raw materials that any combination among them would be wholly impossible.

Certain writers discover other influences by means of which commerce will occasion wars between nations. The most pressing of international questions, remarks a modern author, is that of the *open door* in the Orient. The day may come when the development of the western part of the United States will provoke a war with Japan. The rapid increase in commercial importance of the valley of the Rhine will finally cause the Germans to resent Holland's ownership of the mouth of the river; by reason of which, the very activity of the Kaiser's subjects serves to enrich Rotterdam and Antwerp. Here we discover another possible cause of war (55).

It is indeed true that the complication of international relations will give rise to differences which will constantly become more and more numerous; but it is equally true that these differences will be resolved peacefully with ever increasing frequency, because the supreme interest of all states consists in avoiding war.

There is, of course, no doubt that armaments are increasing more and more, and, what is worse, this is not balanced by a corresponding development in the productive powers of labor; this circumstance tends to create and enhance the economic inequality by impairing the capital of the various nations.

In addition, while the expenses of armament in time of peace are exceedingly burdensome, and are constantly increasing, the costs of a future war will be of a vastness absolutely inconceivable. It has been estimated that the six great powers of Europe and Japan could in time of war mobilize at least 6,960,000 men (49); that the costs of a European war would amount to 55,000,000,000 dollars, that is, twice the annual savings of the entire world and that the mobilization of the armies would require during the first six weeks over 2,000,000,000 dollars in gold, or an amount equal to half the present stock of gold coin of the world (70). Insofar

as Germany alone is concerned Riesser, after the most conscientious and painstaking study, reached the following conclusions:

1. The mobilization of troops during the first six weeks would cost 300,000,000 dollars.
2. Manufacturing, commerce and agriculture would need 250,000,000 dollars additional to provide for supplies, transportation, etc.
3. The panic and general uncertainty would cause a further demand for coin of, at least, 60,000,000 dollars.
4. The costs of the war for Germany alone during the first year would amount to 1,625,000,-000 dollars (71).

In these calculations the indirect expenses occasioned by the war are disregarded, such for example as the amounts paid the reservists' families, pensions to the invalids and widows, damages to private property owners, etc. Thünen observes that if the state undertakes to pay the family of each soldier killed in war 200 thalers, representing the cost of his education, and to support the wounded and indemnify the survivors of the war for the impairment of their forces, that is to say to give them what they would be able to earn if they were still in the enjoyment of their entire strength and energy, wars in winter would become wholly impossible,

and in every case they would be infinitely more costly and consequently more infrequent (72). These conditions which, at the time of the great German economist, were purely fanciful, have now become actualities, and the cost of any future war consequently will be enormously increased. We must also take into consideration the vast difficulty in providing an army with food and munitions; and likewise the financial disasters, truly incalculable, which would result from a conflict. A European war would cause universal bankruptcy, it would lead to the abandonment of innumerable enterprises, and enforced idleness, already such a burden on industry, would be greatly increased (73). Finally a war would occasion an enormous loss in men. The war of 1870 cost Germany only 44,890 in dead, that is to say less than 20 per cent of the excess of births over deaths; but a future war would inevitably result in reducing the population of the globe in a frightful measure.

The terrible effects of wars certainly constitute a powerful force for preventing them, and there is still another factor, not less potent, working for this end, namely: the ever-increasing equality in the strength of the various states, due either to the process of gathering small states into great political entities possessing

equal powers or to the further establishment of this equality by means of alliances. It is perfectly clear that where there is absolute equality the possibility and the reason for a conflict vanish; and it is owing to this fact that the creation of great political entities of equal strength must lead necessarily to the cessation of international conflicts (45).

With these tendencies, produced by the very evolution of economic relations, theory corresponds. Thus, without going to the dust-covered shelves where repose the *Nouveau Cynée* of Eméric Crucé, and the Memoirs of Sully, or the projects for perpetual peace of Leibnitz (1677), of Fénelon (1680), of the Abbé Saint-Pierre (1728), of Kant (1795), of Saint-Simon (1815), let us refer only to Dohm, who held that, by increasing the imposingness and the power of armies, we might arrive at a state where nations, instead of engaging in war, would send each other detailed statements of their land and sea forces and their means for maintaining them, and that this would suffice to deter them from any military adventure; Bulwer, in his novel, "The Coming Race," describes mankind as having become peaceful, simply because war had become technically impossible, weapons having become so destructive that the contending ar-

mies would be annihilated at the first discharge. Tolstoi suggests the theory of non-resistance to wrong, which is an echo of the aversion from war, which survives all else; and everywhere the effort is being made to replace war with arbitral institutions (74).

A fact which presents itself at the very beginning for our consideration is the profound analogy which exists between the evolution of economic relations and that of the contractual relations which connect capital and labor in economic activities. In fact, the relations between capital and labor are passing from the violent methods of the strike to the peaceful means of arbitration, and the same change is taking place, or is about to take place, in international relations. What is more remarkable is that in both the evolution from violence to arbitration is due to motives essentially economic in character. In fact, the cause which, in the domain of industrial relations, determines the evolution from the violent methods of the strike to the peaceful means of arbitration, is the increasing cost of strikes and the progressive augmentation in the losses which thence result to both classes, workers and capitalists. It is the same in the field of international relations; the passage from violence to arbitration is pre-

cisely due to the progressive increase in the expenses occasioned by the former.

However, while there is no doubt that many fundamental analogies exist between industrial and international arbitration, it is none the less true that the latter encounters peculiar difficulties and obstacles, and much more formidable ones than are met with in the field of industrial relations.

Let us carefully examine this interesting question.

In the industrial sphere the arbitrated decision cannot be voluntarily accepted by the two contracting parties unless it brings about the same result which, in every case, the adversaries would have reached if they had preferred to have recourse to a contest or to violence. Let us assume, for example, that the workmen of one, or of several, manufacturing establishments demand a ten per cent increase in wages and that, instead of going on a strike, they agree to submit the question to arbitration. What ought the arbitrators to do in the case? They ought to endeavor to ascertain whether the workmen could actually obtain this increase by having recourse to a strike; and if they decide in the affirmative, they should allow the increase, while the employers ought to agree to the increase

granted by the arbitrators because they know that in the case of a refusal on their part, the workmen would strike and, in this manner, would obtain precisely the increase in wages they had demanded. Thus, under these conditions, the arbitrated decision, even if its acceptance was not obligatory on the two parties, would have the force of law and would be voluntarily accepted by both.

However, to be exact, we must add that the workmen would accept the arbitrated decision, even when it granted them an increase in wages slightly less than that which they might have secured by fighting—or, in other words, when it assured to them the *net gain* of the fight, that is, the increase in wages less the expenses necessary to obtain it. If the arbitrated award gave the workmen a little more than the *net benefit*, but a little less than the *gross gain* that might be obtained by striking, it would actually assure a positive gain to both workmen and capitalists; and consequently there are ample grounds for assuming that it would be eagerly accepted by both.

The matter would be entirely different if the arbitrators endeavored to make it a question of justice, or to establish, according to law and equity, what increase in wages ought to be

granted the workmen. If they sought this end the scale of wages established by the arbitrators might not at all accord with the respective strength of the workmen and the employers; and it might be much higher or much lower than that which the laborers could secure by coercion. In this case the arbitrators could not count on the voluntary acceptance of their award by either the workers or the employers, because, if the workers, by striking, could obtain a wage higher than that established by the arbitrators, they certainly would strike to obtain it; if, on the other hand, the wages awarded by the arbitrators were higher than they could obtain by striking, it is certain that the employers would refuse to pay the men the amount determined. Thus, under these conditions, the arbitrated award would never be accepted voluntarily by the parties at issue, or, in other words, if it were accepted at all, it would be accepted simply owing to the fact that it possessed a material sanction. However, the difficulty still remains. In case the arbitrated wage is lower than that which the workmen could secure by having recourse to a strike, how could they be compelled to accept it? There is nothing to prevent laborers from refusing to work under the conditions established by the arbitrators, since they cannot

be punished for declining to work, an act perfectly legitimate in itself. If an effort were made to punish striking workmen, tens of thousands of persons would have to be thrown into jail, which would have the effect of placing a further enormous burden on the state treasury, and it would also diminish the sum total of labor offered and, consequently, would ultimately raise wages. If, on the other hand, the arbitrated wage were higher than that established normally by means of an effective strike, or by the threat of a strike, nothing could prevent the employers from refusing to pay it and from closing their factories until the workmen were ready to accept a wage lower than that fixed by the arbitrators; now, by increasing the number of laborers out of work, wages finally, instead of rising, would simply decline. Thus we constantly return to the same point; when industrial arbitration arrives at a result which differs from that which would be the product of the respective strength of the two parties, it will not be voluntarily accepted, and as there are no means for assuring its execution, it will become a dead letter.

Hitherto we have considered the question solely from the wage earner's standpoint, but it would not be difficult to demonstrate that the

conclusions would be the same when examined from the employers' side. If the arbitrators established a scale of wages which the latter could impose by having recourse to a lockout or other forcible methods, both employers and workers would accede to it; but if they granted a higher wage the manufacturers would refuse to pay it and would declare a lockout; if they fixed a lower wage the laborers would refuse to work and would declare a strike; therefore, in every case the wage established by the arbitrators would be rejected.

This is the view held by the most distinguished economists regarding this delicate point. There are, indeed, some eclectics—among them Jastrow—who maintain that the decisions of arbitral tribunals should not be based entirely on the strength and the interest of the parties, but also on their rights and, in addition, on the sentiment of humanity. This writer adds that a verdict so reached might be heeded and that one of the parties might be persuaded that it was to its interest to renounce its *rights* instead of persisting in its efforts to cause them to prevail (75). However, if one of the parties, for example, the one which had been most unfairly treated by the arbitrators, found it to its interest to accept their decision, it is equivalent to

saying that by not accepting it, or by engaging in a contest, it would immediately and definitively obtain less than what the arbitrators would give it, or, in other words, that the arbitrators would give it the *maximum* which its own circumstances would enable it to secure. Hence we are forced to conclude, with Webb, that the arbitrators cannot award the workers any more than the employers are willing to grant them (76), and with Clark (77), that the arbitrators must allow the wage which would be established if the workmen had recourse to a strike, provided it was not accompanied by violence with respect to the laborers who took the place of the strikers.

The case is essentially the same when a difference arises between nations. Let us suppose that a quarrel occurs between two countries and that, before engaging in actual hostilities, they have recourse to an arbitral tribunal. What does the tribunal do in such a case? It estimates the forces of the two adversaries; it considers the result which in all probability would be attained if they engaged in warfare, and it condemns the party, which would be defeated, to satisfy the demands of the other, or these demands minus a sum somewhat less than the expenses which the war would cause the victorious

nation. Under these circumstances, therefore, the arbitrated award is often advantageous to both parties, since the conqueror gains a little more and the conquered loses a little less than would have been the case had they gone to war. Therefore there is good reason for assuming that both nations in litigation would definitively accept the verdict.

It is a fact that the arbitral awards made and accepted up to the present time have been based precisely and solely on these considerations. If we study the judgments of the Middle Ages we find that they were based exclusively on these ideas, which secured for them universal acceptance. In the decisions of the Middle Ages no effort was made to cause justice to triumph; the sole object was to prevent a contest, consequently it was of the first importance to know how many men would be ready to come to the support of the opposing parties. All the partisans of the adversaries, therefore, were required to present themselves at the tribunal to show the strength of each, and the judges decided for that contestant who brought the greater number of supporters, that is to say, combatants, with him. Thus, the object of the tribunal was not to discover the truth, but to award the victory to the

more powerful party without the shedding of blood (78).

If the arbitrators, on the other hand, had endeavored to resolve the question, regardless of the respective strength of the adversaries, or according to some principle of abstract justice, the voluntary acquiescence of the two parties would by no means have been likely to follow, because the nation to which the tribunal of arbitration awarded less than it could secure by war would not hesitate to have recourse to arms. Under these conditions, therefore it would be necessary to force both parties to acquiesce in the decision which could be accomplished only by an agreement by all the neutral nations to support it by force of arms and compel the state which regarded itself as unjustly treated by the tribunal to submit to the arbitrated verdict. Consequently, an institution whose purpose is the abolition of war could render itself effective only by means of a general war of all nations against the one that refused to abide by the verdict.

We therefore find ourselves confronted by an exceedingly discouraging dilemma. In the industrial field, as in the international sphere, the arbitral decision can be effective, that is to say, it will be respected, only on condition that it

expresses the natural result of the relative strength of the parties at variance, independently of all idea of justice; if, on the contrary, it sought to disregard the factor of force, and establish a principle of justice, it would inevitably become purely theoretical and would find no practical application. However, between the two spheres of arbitration, the industrial and the international, there are some notable differences. In fact, the condition of primary economic inferiority in which, owing to the fatal force of circumstances, the workers find themselves, when compared with the employers, causes the decision, which expresses the respective strength of the two parties, between whom an industrial difference arises, to redound to the disadvantage of one of the adversaries, the workers; on the other hand, international arbitration, being compelled to decide between two hostile parties which may be of equal strength, may more frequently base its decisions on absolute equity. Therefore, international arbitration, in this respect, is more favorably situated than is industrial arbitration.

On the other hand, international arbitration encounters much more serious difficulties than does industrial arbitration, owing to the entirely different character of the conflicts with which it

has to deal. Industrial differences usually have nothing to do with questions of justice, but simply with the question of the respective strength of the parties, because there is no principle of justice which requires that a certain wage be paid, or that wages should be higher or lower. The natural wage, or the wage which the employers ought to pay at a given time, is simply the product of the respective forces of the two opposing parties and, owing to this fact, in this order of investigations, it is only reasonable, and necessary, that nothing but the relative strength of the adversaries should be considered.

In the field of international conflicts, however, it is an entirely different matter. Here the questions which arise concern interests of supreme importance which ought to be resolved according to the principles of the highest equity, independently of the respective strength of the two adversaries. There is a principle of justice which requires that a region forming an integral part of a given nation and having in common with the other portions certain traditions and memories and a common language, should not be forcibly separated from it and joined to another nation. Here, therefore, justice imposes the duty of deciding the question in a determinate man-

ner, without regard to the respective strength of the two opposing parties. It may happen that the state to which the province belongs is so weak in comparison with the one seeking to annex it that in an armed struggle between the two states the former would inevitably be defeated. But why should this affect the question? Should the tribunal of arbitration, for this reason and disregarding all other considerations, decide that the province should be annexed to the other state, basing its decision solely on the relative strength of the adversaries? It is perfectly clear that in doing this the tribunal of arbitration would fail in its duty and would make itself simply the tool of violence; it would degrade itself by merely imitating what the Congresses of Laibach, of Verona and of Vienna did, legalizing the violence and exactions of the strong at the expense of the weak.

This certainly is not the conclusion which will meet with the approval of those who subscribe to Dante's phrase: "*Justitia in duello (bello) succumbere nequit*" (79); or who, with Proudhon, exalting the right of might, maintain that war itself is the supreme arbiter of the law of peoples, because it secures for the stronger states that to which they have a right by virtue of their very strength (27). It is, however,

impossible for me to acquiesce in their view. While I believe that force creates an absolute right to the ownership of those superior results which are derived from its proper activity in the field of production, I do not think that it creates the right to appropriate the legitimate products of the exertions of those less fortunately situated, or the weaker. I believe that when the stronger takes advantage of his strength to appropriate the fruits of another's labor, he is guilty of an injustice; and if he seizes these fruits by means of war, war becomes the sanction of injustice and his antagonist succumbs through injustice. Now, if this be true, it is clear that an arbitral award which was confined to a juridical expression of the result to which war itself would lead, would in innumerable cases be the height of injustice. In other words, international arbitration cannot worthily perform its functions unless it entirely disregards the question of the respective strength of the adversaries and finds its inspiration in the idea of a higher equity. This, however, is equivalent to saying, as I have above remarked, that either universal arbitration will never be voluntarily accepted by two parties at issue or that it must be rendered effective by means of force. In other words, international

arbitration, whose purpose is to abolish war, can become effective only by means of war.

Nevertheless, although this vicious circle is unavoidable and is also one of extreme gravity, it is none the less true that economic evolution will gradually achieve the abolition of war.

We have seen that the greater the progress in economic evolution, the more the cost of war increases; consequently, the less net profit it can procure for the more powerful states, or, in other words, for the victors; consequently, the more the arbitrators can reduce the demands of the stronger nations without forcing them to refuse to acquiesce in the verdict of the tribunal. If, for example, the demands of the stronger state are represented by 1,000, and it appears to be in a position to obtain this by means of a war, whose cost may be represented by 100, the arbitrators must allow him  $900 + d$ ; but if the cost of the war would be 300,500,700, the arbitrators may grant him  $700,500,300 + d$  without any fear that the stronger state will reject the arbitrated award. Consequently, the greater the costs of war, the smaller becomes the concession which must be made to force, and consequently the slighter will be the violence done to the principle of justice by the tribunal of arbitration.

In the second place, the greater the damages resulting from war, the more probable it becomes that the mere menace of the neutral states will be sufficient in itself to induce the stronger to submit to the arbitrated verdict.

Finally, the more burdensome the expenses of war, the more disposed will states—both strong and weak—become to renounce belligerent methods and decide by common consent to submit their differences to arbitrators, promising to accept their decision. In other words, it is probable that the stronger nations will stop imposing on weaker states, and that the latter, in turn, will cease their efforts to take advantage of the pacific attitude of the former to preserve advantages to which they are not entitled. The former, it is true, might have recourse to force at the expense of the latter, but they would hesitate to do so, because they dread the excessive cost of war and its attendant disasters; the second, trusting to the inertia of the former, might endeavor to preserve illegitimate advantages, but they would refrain from doing so either because there would always be reason to fear that the stronger states might again have recourse to arms against them or because the neutral states might not care to take the trouble to force them to obey the verdict of the tribunal.

On the other hand, it is by no means certain that an arbitral decision based on an idea of justice and neglecting all consideration of the respective strength of the parties to the quarrel, would not, even in the absence of material force, discover some sanction for its verdict. So, too, in the sphere of industrial arbitration, it is far from certain that means will never be found to proceed against recalcitrant workers or obstinate employers. Of course, it is inconceivable that the former could be forced to work and produce under conditions established by the arbitrators; but it is quite possible that the authorities could fine them or take away certain of their rights, and that the monopolistic privileges of the latter might be curtailed. This is precisely the sanction which Clark suggests be embodied in the arbitral codes for regulating industries. In fact, he proposes that the state, as soon as an industrial difference arises, assure the workers, hitherto employed, the right to their positions, that is, that it forbid outside laborers from taking their situations, provided the old workers remain in their places while the discussion is in progress. If, however, the old workers do not accept the judgment handed down, they shall definitely give up their work, and their places may be filled by other laborers,

whom the state must protect. If, on the other hand, the employers refuse to accede to the verdict, the state shall deprive them of such monopolistic privileges as they enjoy, for example, abolish the duties protecting their industry, transfer their clientele to other industries, or, finally, impose differential duties, or fines, on obstinate ones (77). Similar methods could be adopted in connection with international arbitration. Thus, Richet (80) suggests, when a difference arises between nations, that measures be taken to secure a friendly adjustment and, should one of the parties refuse to submit to the verdict, that neutral states be given the right to suspend their commercial treaties with it, or prevent it from securing any loans within their domains. In addition, when a difference arises, the nations at variance might be required to deposit a sum of money to be forfeited by the state that refused to accept the verdict. These suggestions were adopted by the Congress of Milan of 1907, which moreover, proposed, in Article 28, that if the states in litigation neglect to address themselves to the Hague Tribunal, the latter, on the motion of five of its members, shall have the right to assume jurisdiction in the case of its own initiative.

All systems of arbitration, however, seem

timid and inadequate to certain thinkers, who demand more stable and more efficacious institutions. Thus, Lorimer (*Revue de Droit International*, 1871, p. I-II), and Fiore (*Droit International Codifié*, Article 833 and following), suggest the establishment of an international parliament in which each state shall have representation in proportion to its importance. Each nation, moreover, is to furnish a certain contingent of men to constitute an armed force to secure respect for the decisions of the international parliament. Professor Stanley Jevons (81) believed that by the year 2000 we would have an international parliament for the peaceful settlement of questions pending between states, a body which would consist of a senate having political powers and electing its president, who would choose his ministers, and an executive and a judicial branch.

Further, in 1907, H. Lepert developed a new project for securing justice among the nations, one of much wider scope than arbitration. A simple tribunal of arbitration does not appeal to him, either because it lacks the power to carry out its decisions or because, uniting in itself both legislative and judicial functions, it might be influenced by the interests of the nations it represented. Arbitration, he maintains, can ren-

der no appreciable service, because it can take into consideration only a small class of conflicts, and these only by virtue of special conventions. According to him, a legislative power should be established to elaborate the fundamental principles of international law, a judicial power to apply these theoretical principles to actual cases, and an executive power to secure obedience to the laws and to the decisions reached and promulgated by the two former powers. The project is defined in 48 articles, which might be described as the protocols of the constitution of the new relations among nations, and which should provide, moreover, for the transformation of the present military forces into a police force to assure the observance of the decisions of the assembly by nations disposed to be rebellious.

In this we would have an international jural organization such as Terence Mamiani foresaw half a century ago, when he wrote: "And even in this respect the last stage of perfection will become like its beginning. In prehistoric times the human species saw the notables of the tribe gather in council and discuss the common affairs, all with equal force, dignity and authority. And we see in the final years of the world—if in fancy we can reach that distant age—new councils of the nations discussing and establishing

in common, and with equal authority, that which appears to be salutary and glorious for the civilized world" (82). However, while Mamiani excludes the idea of an international tribunal having plenary powers and does not believe—in this respect differing from Montesquieu—that international law can ever become civil law, since it can never be accompanied by the necessary sanctions, modern theorists dream of a veritable international tribunal which will be able to give the force of law and material sanctions to its decisions. By this theory, which differentiates the writer of the past generation from modern authors, we can arrive at an appreciation of the great progress made in the last fifty years by the peace idea, under the impulsion of the inevitable evolution of economic relations.

Nevertheless, in spite of what has been accomplished, I am not inclined to maintain that this modern movement will result in the establishment of an inviolable peace. It is difficult to believe that nations would submit to a decision that would violate their most vital interests. While differences of a secondary order may be resolved by means of arbitrated decisions, or by those of an international tribunal, it would be absurd to assume that international questions of the first importance could be settled by tribu-

nals, because here we are not concerned with jural controversies at all, but with vital questions affecting the very existence and the strength of nations, which, precisely on account of this fact, will never entrust the final decision to arbitration (65), (83), (84). There is, moreover, another feature to be considered: if—as we have seen at the beginning of this study—war is the inevitable result of a decline in the revenue, a decrease necessarily brought about by the forced association of labor, it is evident that it cannot be definitively abolished until this forced association of labor ceases, that is, until the free association is established. So long as this final form of society remains unrealized, we shall have—it is true—a progressive decrease in the number of wars in correlation with the progressive decrease in the periods showing a decline in the revenue, brought about by the ever-increasing technical efficacy of the methods of the forced association of labor; but to believe in a definitive abolition of war while present economic conditions obtain would be utterly vain and illusory.

## CHAPTER VI.

### [SUPPLEMENTAL.]

#### THE LESSONS OF THE GREAT WAR.

The extraordinary events which have taken place during the last three years furnish a striking confirmation of the correctness of the preceding views. The dependence of our most recent wars upon causes essentially economic will be recognized henceforth by all scientific minds. It is not to be denied that on the breaking out of the Balkan war of 1912 political idealists proclaimed to the four winds of heaven that the peoples of the Balkan peninsula were impelled by the most holy political and religious idealism to make war upon the unspeakable Turk. But, unfortunately, the objective verification of the facts only served promptly to place them in their true light. The "Economist" of 12th July, 1912, published an article showing that for a long time French, German and English capitalists, greedy for excessive profits, had lent vast sums to the various Balkan states upon the express condition that the greater part of the money advanced should be expended for armaments to be furnished by certain firms of Paris,

Berlin and London. Now, it was precisely this enhancement of armament among the Balkan states, due to the bankers and commercial houses of the rest of Europe, which rendered their military operations possible. The possibility of the war was actually created by these transactions; and, furthermore, it was economic interests, pure and simple, which transformed this possibility into a reality; it was economic necessity which brought the Balkan states, hitherto bitter enemies, into a close alliance and caused them to engage in a war that knew no mercy. The necessity of uniting their railways made them put aside their desire to destroy each other; the railway induced them to embark on the crusade against the Moslem. Serbian pork, Bulgarian wheat and Greek commerce were the factors underlying the great, and so-called religious, movement (85). Serbia itself, which at the first glance seemed to be most fervently animated by the religious spirit, fought, in reality, solely for the port of St. John of Medua which her commerce had for a long time coveted. Moreover, Christian brotherhood and hatred of the Crescent actually had so little to do with the real causes of this war that one of the Christian allies suddenly went over to the Turk in order to put a quietus on its former brother in arms.

Never before in the long course of history had idealism suffered such a discouraging rebuff.

However, in the Balkan war, as well as in all previous wars, the economic factor was concealed under idealistic appearances which might indeed deceive us, but all pretense of idealism is absent from the present war, which at the very beginning proclaimed itself as the inevitable result of the clash of economic interests. For a long time economists had been sounding the alarm on the economic decadence of England. In August, 1913, Mr. Ellis Barker wrote: "Great Britain's economic position in the world is steadily deteriorating." England is several decades behind the United States in the methods of production and henceforth she will also be excelled by Germany (86). At the same time the latter nation is extending her colonial domain, which is already five times as great in area as the mother country, while she dreams of establishing an empire in the orient. It is, therefore, perfectly natural that England should be jealous of German competition and should look forward to destroying it. The French, who can find no employment at home for their vast capital, because the decline in the birth rate destroys all industrial initiative in the fathers, give themselves over to the founding of colonies, and con-

sequently they immediately find themselves in collision with Teutonic expansion. Finally, Russian industry, thrown back from Corea and Manchuria by the Japanese victories, seeks to expand in the Balkans and extend its empire to the shores of the Adriatic.

Great Britain, jealous of the economic expansion of Germany and eager to put a stop to it, takes advantage of the ambitions of France and Russia and unites with them in a formidable alliance—hence arises the Triple Entente. As a recent writer observes, at the bottom of all this, “there are merely certain opportunities for expansion valued by the restless finance of one power or the other. It is the economic motive, which underlies the struggle for a balance of power” (87).

In this we have in reality the diplomatic preparations for the war, although its breaking out is still in the future; and but little thought is necessary to persuade us that England and France would never go beyond these preliminary steps. In fact, in England, and also in France, the helm of state is controlled by the industrial capitalists, who are natural enemies of all warlike enterprises or anything which goes beyond peaceful expansion; while the perpetual conflict between the two fundamental

classes, that of the manufacturers and that of landed proprietors, furthers the development of parliamentary institutions, which always serve as checks on war and acts of violence.

But in central and eastern Europe we find a different state of affairs. There, in fact, politics is directed solely by the great landed interests associated with the bankers—that is, by a class essentially warlike. A note despatched from Berlin to the Quai d'Orsay, 30th July, 1913, and published in the Yellow Book of 1914, proves that in Germany the classes opposed to war were the manufacturers, the merchants, the small financiers, who were carrying on their business on foreign capital and who would therefore be ruined by a war, and also the nobility of Silesia, who were chiefly engaged in industrial enterprises; and that these elements merely served as a sort of political counterpoise, having little positive influence upon the progress of affairs, and that their voices were drowned by those of the great landed proprietors (represented in the Reichstag by the Conservatives) and by the great stock companies, the banks and the manufacturers of arms and munitions of war, who did everything in their power to bring about the conflagration (88). The same is true with respect to Austria-Hungary and Russia. More-

over, in all these countries the unquestioned power of a single economic class, that of the great landed proprietors, constitutes the basis of a complete autocratic political system, and therefore by its very nature is disposed to military enterprises. Therefore it is not difficult to understand that, to these warlike forces lying in wait in central and eastern Europe, and eager to spring forth, the formation of the Triple Entente was a powerful incentive for them to break loose; and, while the states of the west were entering into diplomatic alliances and were making peaceful preparations, it was the states of the central portion and of the east of Europe who might be most seriously affected by these more or less innocent preparations.

These are truths which can no longer be disputed—not even by those who at first had attempted to deny them. For example, the London "Economist," which for some time could discover in the war only the effect of causes wholly political, finally explicitly recognized (20th November, 1915) that the desire to find a lucrative employment for capital in new countries was the real underlying cause of the horrible conflagration. Even the most fanatical idealists have at last been forced to accept this view. For example, one of them, who is never at a

loss for words in disparagement of the "delirium" of historic materialism, recognizes that England's jealousy of all commerce throughout the world and her own maritime supremacy rendered a clash between herself and Germany inevitable (89). Another writer, after the usual compliments to the limited mentality of the exponents of the materialistic conception of history, squarely affirms that this conflict represents the acute and violent phase of the previous protracted economic rivalry between England and Germany, which began when the latter, with her industries and her colonies, commenced to threaten the former in the commercial empire of the world (90). An American economist, Mr. Irving Fisher, likewise discovers the causes of the present war in economic conditions (91). In Switzerland, M. Millioud (92), and in France, M. Herriot, regard the war as a result of German over-production seeking new outlets (an explanation tainted with the old sophism of excess-production). Finally, even the amiable Pope Pius X, a few days before his death, stated that the sole cause of the present war was to be sought in the measureless desire for wealth and the anti-social passions of the controlling classes.

The very facts, however, which have presented

themselves to our view during the course of the war furnish a final demonstration of this theory. In fact, immediately upon the breaking out of the Homeric struggle England annexed the German colonies, organized her allies in a commercial fight against Teutonic wares and put forth every effort to supplant Germany in her export trade—the author himself noticed a little proof of this the other day when purchasing some cobalt blue; instead of the Prussian brand, which it had hitherto borne, it had an English mark. Moreover, everyone knows that from the first year of the war the increase in English tonnage through the Suez Canal was exactly equal to the total loss in German tonnage. Germany, in turn, took advantage of her victories to seize the iron and coal mines of Lorraine and to open a way to Bagdad to assure her the economic domination of the orient. Now, these effects of the war clearly disclose the causes which produced it, since they are only the logical development of a programme of which the war is merely the beginning; are simply the harvest from the seed the war has sown.

Moreover, by an entirely different series of facts, the present war confirms the views I have advanced. I have said war leads directly to the destruction of the law of nations, and it is

a fact that this negation of law has never before been so absolute as during the present war. In this conflict we have not only witnessed the violation of the territory of a neutral state, but for the first time in the history of the world we have heard the minister of a great nation announce in the national assembly that treaties are merely scraps of paper, to be torn up when interest prompted. Articles 44 and 46 of the Hague Convention, adopted without discussion, imposed respect for the honor and rights of the family and for the life of individuals and for private property, and, after all this, unarmed citizens have been shot, women violated, art treasures destroyed and merchantmen of belligerents and even of neutrals sunk. Trampling on the remains of the St. Petersburg Convention of 1868 and of the Hague of 1899-1907, forbidding the use of needlessly cruel weapons, prisoners have been subjected to torture, asphyxiating gases have been used, Red Cross trains, physicians, Sisters of Charity and the wounded have been fired on. In fine, the crimes of this deplorable war show in the most unmistakable way that the warring nations have returned to a state of savagery, or that the rules of international law have taken flight from the blood-stained earth and found refuge in the void, like

those electric phenomena which occur in the midst of a perfectly calm atmosphere and which suddenly cease in an environment of tempest and storm.

However, it is not to be denied that several of the opinions propounded in the preceding chapters seem to be refuted by recent events. In substance, I stated that our economic system included several factors averse to war, which would hinder its outbreak. And right in the midst of this economic complex and at the moment of its most perfect blossoming we see the greatest and most terrible war the world has ever known break out! Does this not constitute a most disheartening contradiction between our theory and reality?

Not at all. In fact, we have explicitly stated that all the anti-belligerent influences contained in the present economic system could only render wars less frequent. That they really have had this effect no one can doubt, in view of the long period of peace which Europe enjoyed from 1871 to 1914—an extraordinary fact which has had no precedent in the history of the world and which by itself is an indication of the strength of the anti-war forces latent in the present economic complex. But their power, however strong we would like to regard it, is

not sufficient completely to abolish wars, since this end itself is a natural and necessary derivative of the coercive association of labor, which has marked social economy since the earliest historical epochs.

It is no less true, however, that this war has refuted many of the forecasts of recognized writers whose works had been highly suggestive to the author of the present volume. In 1899 the Russian manufacturer, De Block, published a book in which he seeks to frighten Germany with a terrible picture of the fearful disasters a war with Russia would inflict on her, but which, however, is in many ways prophetic. He foresaw that the future war would involve most of Europe; that it would be provoked by an attack of Austria-Hungary on Serbia; that Germany would invade Belgium; that the war would last several years, and its battles many days; that no victory would be possible unless munitions should entirely fail one of the armies. Further, his work prophesied that the next war would occasion an expense six or eight times as much as any other war had caused, and which for the European states, exclusive of England, would amount to \$20,000,000 a day; he predicted that the war would give rise to the most distressing economic crises, would ruin agriculture,

would cause a great rise in the price of wheat and a decline in the value of all securities, and thereby the utter impossibility of bearing new debts; that it would lead to the necessity of enormous issues of paper money, to an incredible number of failures, and to a decrease in wages; that Germany would have great difficulty in provisioning her troops on the frontiers; that she would in vain attempt to import wheat from Egypt by the Suez Canal and Italy; that she would have to fast 102 days in the year; in short, that the effect of the war would be so ruinous to all the states that it would end in a few months. Schäffle, the German economist, believed that a war between France and Germany would not last more than nine months, and Lord Charles Beresford maintained that Great Britain, in case of war, would not be able to provision herself.

Now—we must admit—that all these dire predictions have been given the lie by the experience of the last two years. In fact, the expenses of the war have already far exceeded the most pessimistic predictions. The belligerent powers are now spending about \$100,000,000 a day and their debt now amounts to \$27,500,000,000; their military expenditures to \$35,000,000,000, (?) and in Great Britain alone they are three times

as great as the yearly savings; the destruction of wealth caused the belligerent nations by the war has now reached the fabulous sum of \$67,000,-000,000; in other words, it exceeds by \$12,000,-000,000 the preventive suggested in Chapter V. And as a matter of fact, these colossal expenditures do not seem to have given the world even a suggestion of the terrible disasters which the prophets of cosmopolitan finance had been so ready to announce. On the contrary, in the warring countries, even in those menaced or invaded by the war, there is not a symptom of exhaustion or death, and life in them pursues its normal course, free from disconcerting shocks. Now, what does all this mean?

It means precisely this: That the forty-three years of undisturbed peace which the very process of economic relations secured for the European world have enormously increased her savings and her wealth and thereby have vastly extended the limits of the work of destruction. Now, as always, it is peace that has fostered war; it is the long period of tranquillity which creates the reserve which war lavishly destroys—just as the bear of the Alps in winter consumes the enormous capital of fat he has taken on in summer.

Those, however, who conclude from this fact

that the nations of Europe may thoughtlessly expend their wealth, regardless of the future, show that they possess no very clear idea of the gravity of the situation. In fact, it is not merely their revenue; it is not simply the excess of the wage-fund over the minimum of wages—to which England's entire loss was confined during the Napoleonic wars—but it is a considerable part of their capital and of their labor which is swept away in the cataclysm; while numberless ships are sunk, warehouses of grain, and oil wells are destroyed by fire; powder mills are blown up, and towns are sacked or reduced to ashes. This vast destruction of productive forces threatens in the most serious manner the economic equilibrium of nations and confronts them with a future of exhaustion and ruin.

Moreover, in still another way recent facts seem to refute my theory. I stated that the proletarian movement was a powerful factor, making for universal peace, but we have seen the German socialists enthusiastically voting the military credits asked by their government, at the same time showing themselves the most eager supporters of the war and of conquest.

But here again the refutation of the theory advanced is merely one in appearance. For a long time the socialist party in Germany—the

same, moreover, as in other countries—has been anything but an expression of the wishes and of the interests of the proletariat; it has become the fief of certain party leaders, directors, secretaries, chancellors, minister and politicians; in other words, of a dissatisfied clique of the bourgeoisie, who are adepts in securing snug incomes for themselves at the expense of their flocks and who direct the labor movement with a cast of mind wholly capitalistic.

Truly, the arguments by which these gentlemen justify their support of the war exhibit in the most striking manner their bourgeois mentality. In fact, they maintain that the war, by reducing the amount of labor available, will finally bring about a rise in wages; that a war from which Germany issues victorious would increase her wealth and thereby improve the condition of the laboring class; finally, that the direction of world socialism is the peculiar function of German workingmen and that a German victory consequently would bring with it a strengthening of international socialism.

It is scarcely necessary for me to reiterate, in opposition to these views, that the war, by reason of the enormous destruction of capital which it occasions, will end by reducing wages and increasing idleness; that the increase in the

wealth of the victorious nation will not benefit its working classes in the slightest degree, but simply a small clique of bankers and merchants; that the war, by separating the workers of the hostile parties into two groups who hate and murder each other, will attack the international proletarian movement at the root. However, what we ought to establish is that the arguments which the socialist leaders of Germany advance are all taken from the old stock of perfectly familiar trade-unionism, whose sole purpose was to increase the rate of wages, and therefore have nothing in common with the real essence of the proletarian agitation, which does not concern itself at all with the prosaic and immediate aim of securing fat wages, but seeks to assure the laborer, even—if necessary—at the cost of suffering and privations, a more noble destiny.

But with all this I have not yet mentioned the most serious obstacle which recent events seem to oppose to my theory. In fact, I must confess: this equilibrium of states, and these arbitral institutions to which we ascribe a positive and constant influence to prevent wars, suddenly revealed themselves as utterly unable to prevent the great conflagration.

This, however, does not prove that pacific institutions are foolish; it merely proves that if

we want them actually to accomplish anything important they must be organized in a more efficient manner and, above all, they must be endowed with a progressive power. In fact, just so far as they accelerate capitalistic accumulation and wealth, pacific institutions result in hastening the decline in revenue which is itself a powerful factor in bringing about war. In this sense it is not a paradox to say that peace engenders war, because it causes and accelerates the capitalistic plethora from which war results. Therefore, if we demand that pacific institutions shall always prevent war they must be dynamic and not static; in other words, they must be endowed with a uniformly accelerated energy, so that they may successfully re-act against the ever-increasing forces which tend to provoke war.

Now, it is precisely this which has been overlooked. Scholars who have devoted their talents and their studies to the peace movement have sought to accomplish their purpose by building up mechanical schemes whose absolute perfection was immediately proclaimed, but which were impracticable. While admitting that these devices might be able to control the bellicose forces at the instant they were conceived and placed in operation, they would necessarily be-

come impotent when confronted by forces which were constantly becoming more powerful and which they themselves would set free. The very peace which they would at first bring to humanity would carry the germs—ever becoming more numerous and more powerful—of war, against which these rigid institutions soon would become incapable of offering any resistance.

In the second place, we must understand that institutions for the maintenance of peace, to be really efficacious, must not be limited to mutual contracts between states, but that they require a preliminary and profound transformation in the internal organization of each state. This is another fact which our pacific thinkers have made the mistake of ignoring, but one which had been clearly announced by earlier writers. In this connection we need recall only the greatest among them, Immanuel Kant, who, as everyone knows, to secure universal peace, did not confine himself to suggesting a *fædus pacificum*, a federation of nations, but who proposed as a preliminary to any international organization three reforms in the internal order of things: the abolition of the power to contract public debts, which makes it only too easy for states to obtain the financial means required for war, without any popular control; the transfer of the right

to declare war from the sovereign to the people; and finally, the creation of democratic institutions. Now, leaving aside the first reform, which would be very difficult to bring about, the second is perfectly just and possible, while it is especially the third that contains a material truth—although by democratic organization we understand something very different from Kant's conception. According to him, a republic is a form of representative government anti-democratic in the sense that it places the power not in the masses but in those whom they elect. According to our views, however, the true republic is that political form which concedes the government of the state to the totality of the citizens and does not make this power an appanage of a small minority; and I am inclined to think that all projects for perpetual peace will be unrealizable utopias until the artificial democracy, by which we are ruled, is replaced by a true democracy, by an actual government by the people. Since the outbreak of this terrible mêlée I have been haunted by the idea that if the helms of the various ships of state had actually been in the hands of the people, and also if the sceptre had passed to the costermongers, to the peasants, to the market women, we would have been spared this brutal carnage. Therefore, if it is the

world's desire that this war shall constitute the last blood-smeared page of history, the power must, at whatever the cost, be wrenched from the hands of this so-called ruling caste, who, alone are responsible for our catastrophes, and the control of the public state handed over to the anonymous classes who constitute our social sub-soil and whose powerful and youthful forces are alone capable of bringing peace and happiness to war-worn humanity.

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